

Also, a bill (H. R. 10269) granting an increase of pension to Charles E. Storrs—to the Committee on Invalid Pensions.

Also, a bill (H. R. 10270) granting an increase of pension to John Marley—to the Committee on Invalid Pensions.

By Mr. RUCKER of Colorado: A bill (H. R. 10271) granting a pension to Walter Cox—to the Committee on Invalid Pensions.

Also, a bill (H. R. 10272) to remove the charge of desertion from the military record of Joseph D. Campbell—to the Committee on Military Affairs.

By Mr. TOU VELLE: A bill (H. R. 10273) granting a pension to Asher V. Swisher—to the Committee on Invalid Pensions.

PETITIONS, ETC.

Under clause 1 of Rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

By Mr. ALEXANDER of Missouri: Paper to accompany bill for relief of Enoch Plummer—to the Committee on Invalid Pensions.

By Mr. CASSIDY: Petitions of Merchants' Association of New York and Cleveland Chamber of Commerce, favoring a tariff commission—to the Committee on Ways and Means.

By Mr. COOK: Petition of Merchants' Association of New York, for a tariff commission—to the Committee on Ways and Means.

By Mr. ESTOPINAL: Petition of Leonard Crower, of New Orleans, favoring rate of duty on diamonds as fixed in the Payne tariff bill—to the Committee on Ways and Means.

Also, petition of Gardeners' Protective Association of New Orleans, favoring the Currier good-roads bill—to the Committee on Agriculture.

By Mr. FITZGERALD: Petition of New York City Federation of Women's Clubs, against increase of duty on gloves and hosiery—to the Committee on Ways and Means.

Also, petition of National Coffee and Tea Association, against duty on tea and coffee—to the Committee on Ways and Means.

Also, petition of New York State League of Cooperative Savings and Loan Associations, for reduction of duty on material for dwellings—to the Committee on Ways and Means.

Also, petition of Jewelers' Board of Trade of New York, favoring creation of a tariff commission—to the Committee on Ways and Means.

Also, petition of Hide and Leather Association of New York, favoring free hides—to the Committee on Ways and Means.

Also, petition of Commercial Exchange of Philadelphia, favoring a reciprocity treaty with Canada—to the Committee on Ways and Means.

Also, papers to accompany bill for relief of David S. Brower and Daniel Hines—to the Committee on Invalid Pensions.

By Mr. FLOYD of Arkansas: Paper to accompany bill for relief of Elijah Keeling—to the Committee on Military Affairs.

Also, papers to accompany bills for relief of Jesse Shoemaker, Horatio M. McGaughey, Franklin Pilcher, James H. Evans, and John W. Say—to the Committee on Invalid Pensions.

Also, petition of citizens of the Third Congressional District of Arkansas, favoring a national highway commission—to the Committee on Agriculture.

By Mr. HOLLINGSWORTH: Petition of W. T. Sherman Command, No. 2, Union Veterans' Union, Department of New York, against picture of Jeff Davis on silver service of battle ship *Mississippi*—to the Committee on Naval Affairs.

By Mr. McKINNEY: Petition of Tri-City Labor Congress, of Moline and Rock Island, Ill., and Davenport, Iowa, favoring the Kendall anti-injunction bill—to the Committee on the Judiciary.

By Mr. MOON of Tennessee: Paper to accompany bill for relief of Scott Thompson—to the Committee on Invalid Pensions.

By Mr. MURPHY: Petitions of various farmers' unions of Texas County, Mo.—to the Committee on the Post-Office and Post-Roads.

By Mr. NELSON: Petition of Woman's Club of Madison, Wis., against increase of duty on gloves and hosiery—to the Committee on Ways and Means.

By Mr. O'CONNELL: Petition of citizens of Dorchester, Mass., for reduction of the tariff on wheat—to the Committee on Ways and Means.

By Mr. PEARRE: Petition of Altamont Lodge, No. 148, Brotherhood of Locomotive Firemen and Engineers, of Cumberland, Md., favoring S. 1986 and H. R. 7553; also favorable action on S. 236—to the Committee on Interstate and Foreign Commerce.

By Mr. SIMMONS: Petitions of 12 business men of Middleport, 7 business men of Medina, and 15 business men of Albion, N. Y., favoring a parcels-post law—to the Committee on the Post-Office and Post-Roads.

SENATE.

FRIDAY, May 28, 1909.

The Senate met at 10 o'clock a. m.

Prayer by Rev. Ulysses G. B. Pierce, of the city of Washington. The Journal of yesterday's proceedings was read and approved.

EXECUTIVE COUNCIL OF PORTO RICO.

The VICE-PRESIDENT laid before the Senate a communication from the Secretary of the Interior, transmitting, pursuant to law, one copy of the journal of the executive council of the first session and extraordinary session of the fifth legislative assembly of Porto Rico (H. Doc. No. 42), which, with the accompanying document, was referred to the Committee on Pacific Islands and Porto Rico.

MESSAGE FROM THE HOUSE.

A message from the House of Representatives, by Mr. W. J. Browning, its Chief Clerk, announced that the House had passed a bill (H. R. 9609) to grant to John Rivett privilege to make commutation of his homestead entry, in which it requested the concurrence of the Senate.

PETITIONS AND MEMORIALS.

Mr. SMITH of Michigan. I present memorials of 5,519 farmers and business men in the State of Michigan, protesting against the reduction of the present rate of duty on sugars. These memorials include 277 farmers and business men of Gratiot, 446 farmers and business men of Sanilac, 700 farmers and business men of Huron, 1,942 farmers and business men of Saginaw, 156 farmers and business men of Lapeer, 388 farmers and business men of Genesee, 120 farmers and business men of Lenawee, and 1,490 farmers and business men of Tuscola. I will not ask to have the memorials read, but I would like to have the memorial of Levi Bardwell, of Cass City, read for the information of the Senate.

There being no objection, the Secretary read the memorial, as follows:

The honorable the Senate of the United States:

We, the undersigned residents of the State of Michigan, are interested in the beet-sugar industry, and particularly the raising of sugar beets in this State, and we realize that any reduction of the duty from the present rate would be disastrous to the beet-sugar industry in this State and in the United States, and will work great damage to the farmers in the business of raising sugar beets and indirectly seriously affect the general business interests of all beet-sugar promising States; it will compel the sugar factories, in order to live, to so reduce the price of sugar beets to the farmers that they can not afford to raise them, and it will thus work ultimate ruin to the beet-sugar industry.

The farmers, even under present conditions, require every encouragement possible to induce them to raise sugar beets, and they are just beginning to be educated and interested in that line of business. The ultimate result of a reduction from the present duty would not only be to drive the farmers out of that line of business, but to render valueless the many millions of dollars now invested in the beet-sugar business in the United States, and deprive many thousands of laborers of employment in that line of business.

We therefore petition your honorable body to see to it that no legislation is passed reducing the present rate of duty on the sugar coming into the United States, and your petitioners will ever pray.

LEVI BARDWELL (and others),
Cass City.

The VICE-PRESIDENT. The memorials presented by the Senator from Michigan will lie on the table.

Mr. FLETCHER. I present a resolution of the city council of Tampa, Fla., which I ask may be read.

There being no objection, the resolution was read and ordered to lie on the table, as follows:

Whereas the Committee on Ways and Means of the Congress of the United States has proposed a bill to provide that 150,000,000 cigars shall be permitted to come from the Philippine Islands free of duty in any one fiscal year; and

Whereas Tampa is the largest clear Habana cigar-manufacturing center in the United States; and

Whereas there is now employed in the city of Tampa and the city of West Tampa, approximately, between 15,000 and 16,000 cigar makers; and

Whereas one-fourth of the population of the city of Tampa depend upon the cigar industry for their livelihood and the necessities of life; and

Whereas it is the opinion of the cigar unions and the cigar manufacturers of the city of Tampa that the passage of this bill would greatly interfere with the sale and manufacture of cigars from the city of Tampa; and

Whereas it is the opinion of the council that the passage of this bill would be harmful and have a tendency to lessen the output of cigars from our home industries: Be it therefore

Resolved by the city council of the city of Tampa in the regular session convened: First, That the city council of the city of Tampa does hereby most earnestly protest against the passage of such a bill, and requests the representatives in both Houses from the State of Florida to use every legal and legitimate means to prevent the passage of said bill.

Second, That a copy of this resolution be served after its passage upon each Member of Congress and each Member of the Senate from the State of Florida.

Passed by the city council of the city of Tampa this 14th day of May, 1909.

W. LESLIE BROWN,
President City Council.

Attest:

W. A. JOHNSON, City Clerk.

Approved by me this 17th day of May, 1909.
[SEAL.]

F. L. WING,
Mayor City of Tampa.

Mr. BURTON. I present a petition of the board of directors of the Chamber of Commerce of Cleveland, Ohio, praying for the adoption of an amendment to the pending tariff bill authorizing the President to appoint tariff experts, and so forth, which I ask may be read.

There being no objection, the petition was read and ordered to lie on the table, as follows:

THE CLEVELAND CHAMBER OF COMMERCE,
May 21, 1909.

Hon. THEODORE E. BURTON,
Washington, D. C.

DEAR SIR: The board of directors of the Cleveland Chamber of Commerce has instructed me to communicate to you its indorsement on behalf of the chamber of the following amendment to the pending tariff bill, reported April 30 by the Finance Committee of the Senate:

"That to secure information to assist the President in the discharge of the duties imposed upon him by section 2 of this act, information which will be useful to Congress in the preparation of tariff legislation and to the officers of the Government in the administration of the customs law, the President is hereby authorized to employ, from time to time, such persons as may be required to make thorough investigations and examinations into the production, commerce, and trade of the United States and foreign countries and all conditions affecting the same."

The board of directors hope that you will find it consistent to support this amendment.

Very respectfully, yours,

MUNSON A. HAVENS,
Secretary.

Mr. SUTHERLAND. I present a number of petitions of citizens of the State of Utah, asking that the present duty on sugar be retained in its existing form. The petitions are signed by all classes of people—farmers, tradesmen, and business men. I ask that one of the petitions be read and that they be ordered to lie on the table.

The VICE-PRESIDENT. The petitions will lie on the table. Without objection, one will be read, as requested.

The Secretary read as follows:

To the honorable the United States Senate:

We, whose names are subscribed below and whose residence and occupation are set opposite our names, respectfully petition and pray the Senate of the United States to continue in force in the proposed new tariff act the tariff as it presently exists upon all grades of sugar, and we represent that the manufacture of beet sugar in Utah has become one of the leading industries of the State, and has become so solely by reason of the protection afforded by existing tariff laws; and we further represent that if the present tariff upon any grade of sugar is reduced by the proposed legislation, it will result in the complete destruction of the beet-sugar industry in Utah, upon which the farming and rural communities of the State are dependent.

W. F. RUSSELL (farmer) and others,
Roy, Utah.

Mr. FLINT. I have received a telegram relative to the Mexican Petroleum Company, which I ask may be read.

There being no objection, the telegram was read and ordered to lie on the table, as follows:

LOS ANGELES, CAL., May 27, 1909.

Hon. FRANK P. FLINT,
United States Senate, Washington, D. C.:

Please deny to Congressmen and Senators that the Mexican Petroleum Company is controlled by Standard Oil Company. Newspaper reports and reports attributed to David T. Day, of Bureau of Mineral Resources, to this effect have no shadow of foundation. Standard Oil Company has no connection, direct or indirect, with our interests.

NORMAN BRIDGE.

Mr. FLINT. I have also received a number of affidavits from various sugar companies of California, which I ask may lie on the table and be printed in the RECORD.

There being no objection, the affidavits were ordered to lie on the table and to be printed in the RECORD, as follows:

UNION SUGAR COMPANY,
San Francisco, May 19, 1909.
(Dictated May 18.)

HENRY T. OXNARD, Esq.,
Washington, D. C.

DEAR SIR: Answering your telegram, I would say that the Union Sugar Company was organized in the year 1897 for the manufacture of beet sugar, and that I have been continuously the president of that corporation and am in position to know the character of the interests that own the shares.

To my knowledge, the American Sugar Refining Company has never had any direct or indirect interest in the stock of this company.

Yours, truly,

JOHN L. HOWARD, President.

Subscribed and sworn to before me this 19th day of May, 1909.

[SEAL.]

JAMES MASON,
Notary Public in and for the City and County of
San Francisco, State of California.

STATE OF CALIFORNIA, County of Los Angeles, ss:

W. C. Petchner, being first duly sworn, deposes: I am the secretary and attorney of the Pacific Sugar Corporation, and have been such ever since its incorporation; that I am familiar or acquainted with all of the stockholders of said corporation, and their business pursuits, avocations, and affiliations; that as such secretary and attorney all the books of the corporation are in my care and custody, as well as all the contracts, papers, and files thereof; that I personally know and have taken part in the formation of all the business and financial relations of said Pacific Sugar Corporation from the time of its incorporation to the time of this deposition; that said Pacific Sugar Corporation has not now and never had any business relations of any character whatsoever with the American Sugar Refining Company; and said American Sugar Refining Company has not now, and never has had, either directly or indirectly, any interest of any character whatsoever in, or any business relation of any character whatsoever to, or with, said Pacific Sugar Corporation, but said last-named corporation is absolutely independent of any connection of every character whatsoever with any other sugar corporation wherever situated.

W. C. PETCHNER.

Subscribed and sworn to before me this 17th day of May, 1909.
[SEAL.]

FRANK L. MILLER,
Notary Public in and for Los Angeles County, Cal.

STATE OF CALIFORNIA, County of Los Angeles, ss:

J. Ross Clark, being first duly sworn, on his oath deposes and says: I am the vice-president and general manager of the Los Alamitos Sugar Company, which corporation owns and operates the beet-sugar plant located at Los Alamitos, Orange County, State of California.

The entire capital stock of said corporation is held and owned by W. A. Clark and members of his family, myself and members of my family, Mrs. Joseph K. Clark, and T. F. Miller, except 12½ shares owned by A. W. Jones, auditor of said company, and 1 share owned by W. H. Comstock, who is a director of said corporation; that the American Sugar Refining Company is not interested directly or indirectly in any of said shares of stock nor in the business of said corporation in any manner whatsoever.

J. ROSS CLARK.

Subscribed and sworn to before me this 14th day of May, 1909.
[SEAL.]

W. E. LADY,
Notary Public in and for said County and State.

My commission expires September 10, 1912.

STATE OF CALIFORNIA, County of Los Angeles, ss:

E. A. Pardee, being duly sworn, deposes and says that he is the secretary of the Sacramento Valley Sugar Company, a corporation, and has been since the enterprise represented by it was started.

That he is acquainted with all of the stockholders of said Sacramento Valley Sugar Company, and that no sugar-refining company has any interest in said corporation, either directly or indirectly, but that all of the capital stock of said corporation is held by individual members, and in their own right.

[SEAL.]

E. A. PARDEE.

Subscribed and sworn to this 17th day of May, A. D. 1909, before me.
[SEAL.]

EDWIN J. LOEB,
Notary Public in and for the County
of Los Angeles, State of California.

STATE OF NEW YORK, City and County of New York, ss:

H. Rieman Duval, being duly sworn, deposes and says that he is the president of the American Beet Sugar Company, and that the American Sugar Refining Company does not now and never has owned a controlling interest in the stock of the said American Beet Sugar Company, nor does the name of the American Sugar Refining Company appear upon the certified list of stockholders or upon the stock transfer books of the said American Beet Sugar Company; that the American Sugar Refining Company does not, directly or through any of its directors, hold any stock in the said American Beet Sugar Company, and has never had a representation on the board of directors of the said American Beet Sugar Company, nor any voice in the management of said company.

That the board of directors of the said American Beet Sugar Company is as follows: H. Rieman Duval, R. Fulton Cutting, R. Bayard Cutting, Robert Oxnard, Henry T. Oxnard, Dumont Clarke, Kalman Haas, Edwin M. Bulkley, Charles J. Peabody, James G. Hamilton, and Lucius K. Wilmerding.

That the officers of the said American Beet Sugar Company are as follows: H. Rieman Duval, president; Robert Oxnard, vice-president; Henry T. Oxnard, vice-president; and John E. Tucker, secretary and treasurer.

H. RIEMAN DUVAL.

Sworn to before me this 19th day of May, 1909.

[SEAL.]

MAITLAND L. BISHOP,
Notary Public.

Mr. DICK presented a memorial of members of the Roessler Brothers composing room, of Cincinnati, Ohio, remonstrating against the imposition of a duty on print paper and wood pulp, which was ordered to lie on the table.

He also presented a memorial of sundry business firms of Columbus, Ohio, remonstrating against an increase of the duty on thorium nitrate, which was ordered to lie on the table.

Mr. WARNER presented a petition of sundry citizens of Missouri, praying that an increase of the pension to \$25 per month be granted the survivors of the Mexican and civil wars, and also that a pension of \$20 per month be granted to their widows, which was referred to the Committee on Pensions.

Mr. CLAPP. I have a telegram here that I desire to put in the RECORD. It is not exactly a petition, but it is a telegram from the Carver County Sugar Company, of Minnesota, to the effect that they are not in the American Sugar Refining Company. I wish to supplement it with the statement that I not only believe but I have every reason to know that the contents of the telegram are correct and true.

The VICE-PRESIDENT. Without objection, the Secretary will read the telegram.

The telegram was read, and ordered to lie on the table, as follows:

Hon. MOSES E. CLAPP,
Washington, D. C.:
CHASKA, MINN., May 26, 1909.

This company is not controlled by the American Sugar Refining Company, and you may deny the statement.

CARVER COUNTY SUGAR CO.,
F. C. HICKS.

Mr. LA FOLLETTE. I present the affidavit of R. G. Wagner, president of the Wisconsin Sugar Company, of Milwaukee, Wis., making certain statements as to the ownership, control, and management of that company, which I ask may be read.

There being no objection, the affidavit was read and ordered to lie on the table, as follows:

STATE OF WISCONSIN, County of Milwaukee, ss:

Personally appeared before me the undersigned officer, R. G. Wagner, who, being first duly sworn, on oath states that he is the president of the Wisconsin Sugar Company, of Milwaukee, Wis., a corporation organized under the state laws of Wisconsin, and that he has been the president of this company since its organization in 1901, and that the American Sugar Refining Company never had nor has at the present time, any interest whatever in the ownership, control, or management of the Wisconsin Sugar Company; also, that all the shareholders are residents of Wisconsin, and that the company is entirely independent of any other company or interests engaged in the sugar industry.

R. G. WAGNER.

Sworn to and subscribed before me this 19th day of May, 1909.
[SEAL.]

WALTER W. OEFLEIN,
Notary Public, Milwaukee County, Wis.

My commission expires October 13, 1912.

Mr. BURKETT. I have had handed to me an affidavit in reference to the American Beet Sugar Company, in the State of Nebraska, in regard to their not having connection with the American Sugar Refining company. I ask that it be read.

There being no objection, the affidavit was read and ordered to lie on the table, as follows:

STATE OF NEW YORK, City and County of New York, ss:

John E. Tucker, being duly sworn, deposes and says that he is the secretary of the American Beet Sugar Company, and that the American Sugar Refining Company does not now and never has owned a controlling interest in the stock of the said American Beet Sugar Company, nor does the name of the American Sugar Refining Company appear upon the certified list of stockholders or upon the stock-transfer books of the said American Beet Sugar Company; that the American Sugar Refining Company does not directly or through any of its directors hold any stock in the said American Beet Sugar Company, and has never had a representation on the board of directors of the said American Beet Sugar Company, nor any voice in the management of said company. That the board of directors of the said American Beet Sugar Company is as follows: R. Rieman Duval, R. Fulton Cutting, R. Bayard Cutting, Robert Oxnard, Henry T. Oxnard, Dumont Clarke, Kalman Haas, Edwin M. Bulkley, Charles J. Peabody, James G. Hamilton, and Lucius K. Wilmerding.

That the officers of the said American Beet Sugar Company are as follows: H. Rieman Duval, president; Robert Oxnard, vice-president; Henry T. Oxnard, vice-president; and John E. Tucker, secretary and treasurer.

JOHN E. TUCKER, Secretary.

Sworn to before me this 19th day of May, 1909.

[SEAL.] MAITLAND L. BISHOP,
Notary Public.

Term expires March 30, 1910.

Mr. DEPEW presented a petition of Corning Lodge, No. 195, Brotherhood of Railway Trainmen, of Corning, N. Y., praying for the passage of the so-called "Burkett boiler-inspection" bill and the "full-crew" bill, which was referred to the Committee on Interstate Commerce.

He also presented memorials of members of the Chamberlin Composing Room Chapel, of Syracuse; of the New York Globe Composing Room Chapel, of New York City; of the Kay Publishing House Composing Room Chapel, of New York City; of the Standard-Union Composing Room Chapel, of Brooklyn; and of the Daily Courier Composing Room Chapel, of Buffalo, all in the State of New York, remonstrating against the imposition of a duty on print paper and wood pulp, which were ordered to lie on the table.

He also presented a petition of James A. Garfield Council, No. 41, Junior Order United American Mechanics, of Brooklyn, N. Y., praying for the adoption of an amendment to the pending tariff bill increasing the head tax on immigrants from \$4 to \$10, which was ordered to lie on the table.

Mr. BOURNE presented a memorial of sundry farmers and tradesmen of La Grande and Island City, in the State of Oregon, remonstrating against a reduction of the present duty on sugars, which was ordered to lie on the table.

Mr. SIMMONS presented a petition of Whedbee & Morris and sundry other citizens of Franklinton, N. C., praying that hides be placed on the free list, which was ordered to lie on the table.

He also presented petitions of D. N. Mackay and sundry other citizens of Asheville; of T. K. Murphy and sundry other citizens of Salisbury; and of the McDaniel-Saunders Company and sundry other business firms of Rutherfordton, all in the State

of North Carolina, praying for a reduction of the duty on raw and refined sugars, which were ordered to lie on the table.

Mr. STEPHENSON presented a memorial of the board of trustees of Park Falls, Wis., remonstrating against any reduction of the duty on print paper and wood pulp, which was ordered to lie on the table.

He also presented the petition of William H. Hufnagel and 24 other citizens of Wisconsin, praying for a removal of the duty on hides, which was ordered to lie on the table.

He also presented the memorial of H. Hamminsen and 6 other citizens of Appleton, Wis., remonstrating against an increase of the duty on hosiery and gloves, which was ordered to lie on the table.

Mr. LA FOLLETTE presented petitions of sundry citizens of Hudson, Dale, Hustisford, Maiden Rock, West Salem, Sheboygan, Ripon, Iron Ridge, Woodland, Horicon, Roberts, Hamherst, Melrose, Wilton, Medford, Sauk City, Milton, Livingston, Washburn, Waukesha, Cedar Grove, Endeavor, Clappville, Monroe, Browntown, Spencer, Milwaukee, Walford, Oshkosh, and Manitowoc, and of sundry bankers of Madison and Milwaukee, all in the State of Wisconsin, praying for a removal of the duty on hides, which were ordered to lie on the table.

BILL INTRODUCED.

A bill was introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. BAILEY (by request):

A bill (S. 2491) for the relief of William H. Taylor; to the Committee on Claims.

AMENDMENTS TO THE TARIFF BILL.

Mr. BURTON submitted four amendments intended to be proposed by him to the bill (H. R. 1438) to provide revenue, equalize duties, and encourage the industries of the United States, and for other purposes, which were ordered to lie on the table and be printed.

WITHDRAWAL OF PAPERS—JAMES PHELPS.

On motion of Mr. DICK, it was

Ordered, That there may be withdrawn from the files of the Senate the papers in the case of James Phelps (S. 2283, 60th Cong., 1st sess.), no adverse report having been made thereon.

PETROLEUM FIELDS IN MEXICO.

Mr. CUMMINS. I submit a resolution, for which I ask present consideration.

The resolution (S. Res. 53) was read, considered by unanimous consent, and agreed to, as follows:

Senate resolution 53.

Resolved, That the Secretary of the Interior be directed to furnish to the Senate such information as Dr. C. W. Hayes, chief geologist of the Geological Survey, can furnish respecting his investigations and observations as to the character and development of petroleum fields in the Republic of Mexico, the character of the oil produced, the location of the oil regions, the ownership of or interest in concessions granted by the Mexican Government, the probabilities of increase in production, and, generally, all the information with respect to petroleum and its products procured by the said Hayes upon his visit or visits to the Republic of Mexico.

THE TARIFF.

The VICE-PRESIDENT. The morning business is closed. The calendar is in order.

The Senate, as in Committee of the Whole, resumed the consideration of the bill (H. R. 1438) to provide revenue, equalize duties, and encourage the industries of the United States, and for other purposes.

The VICE-PRESIDENT. The pending question is on agreeing to paragraph 213.

Mr. BRADLEY. Mr. President—

Mr. PAYNTER. Mr. President, I know that my colleague is going to discuss a question of great importance, and I should like to have the presence of a quorum. I suggest the absence of a quorum.

The VICE-PRESIDENT. The Secretary will call the roll.

The Secretary called the roll, and the following Senators answered to their names:

Aldrich	Clark, Wyo.	Frye	Page
Bailey	Clay	Gallinger	Paynter
Beveridge	Crane	Gamble	Penrose
Borah	Crawford	Gore	Perkins
Bradley	Cullom	Hale	Payner
Brandegee	Cummins	Heyburn	Root
Briggs	Curtis	Hughes	Scott
Bristow	Daniel	Johnson, N. Dak.	Smith, Mich.
Brown	Depew	Johnston, Ala.	Smith, S. C.
Bulkeley	Dick	Jones	Smoot
Burkett	Dillingham	Kean	Stone
Burnham	Dixon	La Follette	Sutherland
Burrows	Dolliver	Lodge	Tallaferro
Burton	Fletcher	McCumber	Tillman
Carter	Flint	Nelson	Warner
Chamberlain	Foster	Oliver	Warren
Clapp	Frazier	Overman	

Mr. JONES. My colleague [Mr. PILES] is unavoidably detained from the Chamber this morning.

The VICE-PRESIDENT. Sixty-seven Senators have responded to the roll call. A quorum of the Senate is present. The Senator from Kentucky will proceed.

Mr. BRADLEY. Mr. President, at the outset of what I shall say on the repeal of the 6 cents tax on leaf tobacco, I desire to return my thanks to Congressman STANLEY for much valuable statistical information furnished by him, which has cost him years of toil to acquire.

I desire to say further that I listened with both pleasure and profit to the instructive, able, and thoroughly conservative speech of my distinguished colleague [Mr. PAYNTER] on this question.

During parts of the years 1907 and 1908 we had in Kentucky what was known as the "tobacco war," and the "Night Riders" in Kentucky and Tennessee were guilty of such outrageous conduct as to merit the condemnation of all good people within and without those States. The governors of the two States, in their efforts to vindicate the law, showed themselves to be worthy and patriotic. As my distinguished colleague said, it is somewhat humiliating to me that such things occurred in the State of Kentucky, for I love Kentucky as every loyal son loves his mother.

I love her for her virtues and for her glorious past, upon which these outrages, deplorable as they are, are but as spots on the face of the sun. The honesty of her people stands out as conspicuously as her rugged hills; their bravery has been told in story and in song, and, from the time of their conflict with the savage to this good hour, their blood has enriched every battlefield of the Republic.

No man or set of men can bring reproach on Kentucky without incurring my resentment. I am somewhat like an old gentleman whom I knew years ago, who was in the habit of speaking in very plain terms of his wife's conduct by reason of her high temper. He would arraign her most severely, but he always wound up with the declaration, "I can talk about Betsy, but no other man can talk about her before me without a fight or a foot race." [Laughter.] So I say about Kentucky.

I am frank to say, Mr. President, that after this lawlessness had reached its full fury I was so much impressed with its atrocity that I did not take the time to consider the cause, nor had I at that time made any study of the conditions. But that there was a cause there can be no sort of doubt, for law-abiding people do not suddenly, without reason, become outlaws. I desire now to say something about the causes which led up to this disturbance.

You have already been told by my colleague how the American Tobacco Company, under the innocent guise of a manufacturer of cigarettes, with a capital of \$25,000,000, rather a suspicious amount for that business, entered the commercial world in 1890; how it deliberately swallowed its competitors; how it enlarged its business by establishing subsidiary companies for the manufacture of plug and smoking tobacco, snuff, and so forth, which in turn rapidly devoured their competitors by lowering prices so that they could not compete and then destroyed them, or absorbed them by purchase, until holding the majority of stock in all these corporations it silenced all competition in this country and stood without a rival in the United States.

After this had been accomplished, and it was the absolute monarch of all it surveyed in America, not content, it conceived the idea of destroying its great competitor in Great Britain, the Imperial Tobacco Company, which had destroyed all competition in that country, thus cutting off all avenues of escape to that market from the American farmer. By offering princely contributions to those who would patronize its business in Great Britain it drove the Imperial to a compromise, and obtained an agreement by which the American farmer was excluded from that market and by which the Imperial Tobacco Company agreed to confine its purchases to foreign lands, leaving the field in this country uncontested to the American Tobacco Company.

Long prior to 1894—indeed many years ago—Italy, France, Austria-Hungary, and other countries determined to go into the purchase of tobacco under what was known as the "regie system." In other words, those Governments became the purchasers of tobacco in this country through their agents and shipped it to those various countries and sold it, turning whatever might be made out of the traffic into their treasuries.

The American Tobacco Company, finding itself confronted with these rivals, proceeded to treat with them. The result of that treaty was that in the States of Kentucky and Tennessee they divided up the territory, with an agreement that no one of those companies should enter the territory of another or of

the American Tobacco Company, and that all of them should buy at the same fixed price.

Prior to that time the American farmer had found a good market for his tobacco in Bremen, and seeing that Great Britain was closed against him, seeing that his own markets at home were closed against him, large quantities of tobacco were shipped to Bremen, and on arrival the American Tobacco Company was found standing there with its millions of pounds and proposing to sell them at cost price in the United States. So it was every avenue of escape was closed. The American Tobacco Company had not only become possessed of control in this country, but had swept on triumphantly until it had not a competitor on the face of the earth, as the waters of a great flood swept on without a shore.

The stock of \$25,000,000 has risen in all now to over \$500,000,000. In 1895, as shown by my colleague, they declared a dividend of 20 per cent; in 1896, of 22½ per cent; in 1897, of 25 per cent; and in 1898, of 32½ per cent, besides leaving large surpluses in the treasury.

Mr. TILLMAN. If the Senator will pardon me, I should like to know the amount of stock the dividends were on. Was it on the original \$25,000,000 or the watered addition?

Mr. BRADLEY. The statement was made by my colleague, and I will ask him to answer.

Mr. PAYNTER. The dividends, of course, were declared upon the amount of the common stock which was in existence at the time the dividends were declared.

Mr. BRADLEY. Such had become the power of this company that the representatives of kings and emperors knelt before it and were proud to do it reverence. The producers and farmers then appealed to Congress. Three times the lower house of Congress unanimously passed an act removing the 6 cents tax on natural leaf tobacco, but that act never even reached a vote in the Senate. As a last resort, feeling that there was no hope from any source aside from individual effort, the tobacco growers of Kentucky and Tennessee formed societies under different names numbering 60,000 members, but all with the same object, the purpose of which was to pool their tobacco; that is, to hold it all under one control a sufficient length of time to force the American Tobacco Company to buy at fair prices, because of the fact that their customers would insistently demand that they should furnish them tobacco.

At this point I wish to say to Senators, you will find the proof of my statements concerning this tobacco company in the hearings before the Ways and Means Committee and the Finance Committee and the report of the Commissioner of Corporations, which only a few days ago was laid on the desk or sent to the office of each Senator.

Now, when this pooling commenced there were quite a number of farmers who refused to enter the societies, but who insisted that they would continue to raise and sell their tobacco. They held their tobacco, however, long enough to get the benefit of the delay occasioned by the societies, to some extent, and thereby received reasonably good prices.

The trust, for I shall no longer call it the "American Tobacco Company," bought this tobacco, first, because it was sorely needed, and, secondly, hoping by giving good prices for it to induce others to believe that they could likewise sell their tobacco, and in this way destroy the organization, thereby putting the farmers again at their mercy.

When this condition presented itself, there were those who felt sorely aggrieved. Every effort was made to try to induce all the farmers to go into the organization. Every effort was made to try to induce them not to produce any more tobacco, but to hold everything as long as might be necessary until the combine was forced to purchase from them at fair prices. Some of these persons, feeling themselves aggrieved, as I have said, commenced the violation of the law. First, tobacco beds were scraped; second, the barns of the trust in some instances, and of these independent farmers in others, were burned. Men who were purchasing for the Regie Company and the American Tobacco Company were whipped and forced to leave the State, and in some instances, I say with deep humiliation, even human life was taken. Such crimes can find no apologist. Thus this terrible condition of affairs was developed, without justification, but not wholly without reason. The profitable market theretofore prevailing was destroyed and an arbitrary price that was a mere pittance was fixed at home, while the markets abroad were closed by conspiracy and fraud.

I beg you, Mr. President and Senators, to look at this condition as it is. Here were these farmers cut off from all hope. Where they once had competition from hundreds of purchasers, they found they had three or four in collusion at a fixed price.

Tobacco, which it costs \$6 a hundred to raise, was, of necessity, sold for three and a half dollars a hundred. The farmer who had invested his all saw that he was unable to get any return; the tenant who had raised tobacco "on the halves" saw the fruits of his labor vanish; the laborers' wages were cut to starvation prices; tenants and laborers beheld in the eyes of their wives and children an expression of hunger and despair and saw them shivering, half clad, in the winter's blasts.

Some idea may be formed of the injury that was done to Kentucky, and only a faint idea, by an examination of the Statistical Abstract, which shows that in 1908, at the end of the fiscal year, as compared to 1907, at the end of the fiscal year, there was a decrease in the tobacco produced in Kentucky of 44,878,000 pounds, and a decrease in its value of \$6,729,400. But this is only one evidence of the losses of those people.

We now appeal to this Senate for aid, and we can obtain it in no other way. The remedy, and the only remedy, is by the removal of the 6-cent tax from tobacco in its natural condition whenever and wherever sold. You may say, "Well, you have had your protective society in Kentucky; by long delay you have sold your tobacco for from eight to twenty dollars per hundred, and why come to Congress for aid?"

Mr. President, in order to sell that tobacco, some of it was held in pool for nearly three years. Imagine, sir, the hardship to the poor man who had to wait all this time or even for one year to sell his tobacco and get the fruits of his labor. They may control this thing in the future, as they have in the past; but what is the inevitable result? The same delay, the same attempted sales by independent tobacco raisers, the same attempted increase in the production, and necessarily a repetition of the same things in Kentucky and Tennessee which have occurred in the past, for, under similar circumstances, history will always repeat itself.

But it may be said these outbreaks did not occur in all the tobacco States. By no means. Why? In those States producing cigar tobacco and cigar wrappers the trust had not gained control. The cigar industry was the only tobacco industry in the United States which had not fallen a victim to the rapacious greed of this combine; but allow me to predict that the time is not far distant, if the statute remains as it is, when even that industry must succumb.

Another thing. The combine had not seen fit to divide out the territory and put up their collusive bidders at the same price, save in Kentucky and Tennessee. There were disturbances, I believe, in the southern part of Indiana and some in the southern part of Ohio, but the great bulk of this trouble was in Kentucky and Tennessee.

Mr. President, the farmer can sell without restriction anything he raises except his tobacco. It requires more labor to produce tobacco than any other crop. It takes thirteen months from the time the tobacco seed is sown in the bed to the time that the tobacco is completely cured and ready for sale. During all that time, more, or less, the farmer is at work on that product.

We have in Kentucky, and in all the States which produce tobacco, soil peculiarly adapted to its production. Possibly we have more of that character of soil in Kentucky—which, by the way, produces nearly one-third of all the tobacco raised in the United States—than has any other State. There are thousands of acres of land in Kentucky which will produce good tobacco, but which is totally unfitted for the profitable production of any other crop.

As I said, we raise in Kentucky nearly one-third of all the tobacco of the United States, and in 1908 the tobacco of that State was valued at \$17,799,600, which was much less than in some preceding years. Aside from the large number of producers interested, there were employed in Kentucky that year, in round numbers, more than 80,000 laborers, all of whom, with those dependent upon them for support, aggregated in the neighborhood of 400,000 people. Next to Kentucky, in 1908, came North Carolina, and next Virginia, and next Ohio; but there were large quantities raised in South Carolina, Tennessee, Wisconsin, Pennsylvania, Maryland, Indiana, and Connecticut. There was also more or less raised in New Hampshire, Vermont, Massachusetts, New York, Georgia, Florida, Alabama, Mississippi, Arkansas, Illinois, Missouri, West Virginia, Texas, and Louisiana. In other words, tobacco is raised in 25 States of the Union.

The total output of tobacco in the United States in 1908—which was not a year of full production—was 718,061,380 pounds, of the estimated value of \$74,130,185.

This immense production representing this enormous sum of money, aside from the number of owners of the soil, involves in round numbers 292,000 laborers, who, with those dependent upon them, aggregate a vast army of more than 1,000,000 people.

In view of these conditions, the importance of fair and just legislation affecting this product can not be overestimated. I beg Senators to give me their attention while I proceed to show that such legislation does not exist and will not, unless in their wisdom they should enact into law the amendment which I have offered.

I will state in the beginning that under the present statute and rulings of the Commissioner of Internal Revenue the producers are so hampered and restricted in the sale of their leaf tobacco that they are substantially placed at the mercy of the great trust, which has blighted their hopes and desolated their homes.

Mr. President, the Republican party at its national convention in 1888, being alive to conditions, even as they then existed, and which have since become a thousand times worse, declared in its platform:

The Republican party would effect all needed reduction of the national revenue by repealing all the taxes on tobacco, which are an annoyance and burden to agriculture, etc.

In 1890 the Republican party redeemed that pledge in the McKinley tariff bill, which provided:

SEC. 26. That on and after the 1st day of May, 1891, all special taxes imposed by law now enforced upon dealers in leaf tobacco, retail dealers in leaf tobacco, dealers in tobacco, manufacturers of cigars, and peddlers of tobacco are hereby repealed.

But that law required that the manufacturers should register with the collector "their names, place of residence, trade, or business, and the place where such trade or business is to be carried on," and so forth, and provided a penalty for failure so to do.

In another portion of the act, smoking and manufactured tobacco was required to be put up in "packages" and stamped, the tax being fixed at 6 cents per pound.

In section 27 it was provided:

That all provisions of the statutes imposing restrictions of any kind whatsoever upon farmers and growers of tobacco in regard to the sale of their leaf tobacco, and the keeping of books and the registration and report of their sales of leaf tobacco, or imposing any tax on account of such sales, is hereby repealed.

It was further provided, however, that farmers or planters of tobacco producing and selling leaf tobacco should, on demand of any revenue officer or agent, furnish him, under oath, a true and complete statement of all sales of leaf tobacco, the number of hogsheads, cases, or pounds, with name and residence of the purchaser and place delivered, and a punishment was fixed for a failure so to do. In this way the tracing of leaf sales was secured.

It remained for the Democratic party, in 1894, to repeal this just law providing for the free sale of leaf tobacco by the passage of the Wilson bill, which bill has been the fruitful source of all our woe. And yet, in justice to those who voted for that bill, I am of the opinion that 90 per cent of them did not know that in its specious wording there was contained a provision that substantially destroyed the protection that had been afforded the farmer by the McKinley bill. Indeed, I know if those gentlemen who passed that bill had understood its purport, they never would have given it their support.

I call your attention, Mr. President, to the language of the Wilson bill in providing who should be considered a manufacturer. Although it professed to give even more relief to the farmer than the McKinley bill, it absolutely destroyed all hope for his relief. The following is its language:

SEC. 69. Every person shall be regarded as a manufacturer of tobacco whose business "it is to sell leaf tobacco in quantities less than a hogshead, case, or bale; or who sells directly to consumers, or to persons other than duly registered dealers in leaf tobacco, or duly registered manufacturers of tobacco, snuff, or cigars, or to persons who purchase in packages for export; and all tobacco so sold by such persons shall be regarded as manufactured tobacco and such manufactured tobacco shall be put up and prepared by such manufacturers in such packages only as the Commissioner of Internal Revenue, with the approval of the Secretary of the Treasury, shall prescribe."

After having thus destroyed the power of the farmer's vendee to sell his leaf tobacco to the consumer, except on the payment of the tax, this misleading proviso was added:

Provided, That farmers and growers of tobacco who sell leaf tobacco of their own growth and raising shall not be regarded as manufacturers of tobacco; and so much of section 3244 of the Revised Statutes of the United States, and acts amendatory thereof, as are in conflict with this act are hereby repealed.

Provided further, That section 27, chapter 1244, page 863, volume 1 of Supplement to the Revised Statutes of the United States (which was the McKinley law) "be amended by striking out all after the word 'repealed.'"

This is the section of the McKinley bill requiring the farmer to give information as to his sales.

Hence it was represented, and believed to be true by nine-tenths of those who supported the Wilson bill, that the farmer and his vendee were not only allowed to sell without restriction, as provided by the McKinley bill, but in addition the farmer was relieved from keeping any memoranda or giving

information as to his sales on demand of any officer of the Government.

Such was the belief of the farmer, who hailed with delight the passage of the Wilson bill and affectionately looked upon the Democratic party as his "guide, philosopher, and friend." But later, when attention was called to the law by the rulings of the Commissioner of Internal Revenue, he awoke to the fact that he had been deceived and placed completely in the power of the trust. To this bill he had looked as his "friend in every present hour of need." Before the grinding effect of the combine was experienced, the real value of the McKinley bill had not been appreciated; but when the American Tobacco Company, which was organized in 1890 with a suspiciously large capital, ostensibly for the harmless purpose of manufacturing cigarettes, had enlarged its powers by forming subsidiary corporations and had gone into every branch of tobacco manufacturing, destroying all competitors except those who entered with it into an agreement of oppression, and the farmer saw his market gradually contract from hundreds of independent buyers to three or four in collusion, the farmer and his laborers, in their frantic appeal to the Wilson bill for relief, found that it had absolutely closed the door of hope upon them, and that the McKinley bill was indeed their friend.

Hence, Congress was asked to enact a bill in many respects the same as the McKinley bill, and three times, as I have said, the House of Representatives passed that measure unanimously, and three times it came into this Chamber, and died in the Finance Committee without ever having been reported. I understand that the main reason for this was that that bill as passed did not contain any clause providing for tracing the sales of leaf tobacco. It passed the House again unanimously without provision to trace leaf sales during the present session. It came to this body, but was stricken from the bill by the Finance Committee because, as I understand, of the failure to provide the means of tracing leaf sales.

Mr. TILLMAN. Mr. President, if it will not interrupt the Senator—

Mr. BRADLEY. Certainly not.

Mr. TILLMAN. I should like to know the years when the bills to which the Senator refers passed the House of Representatives.

Mr. BRADLEY. Well, really, I will say to the Senator that I do not know.

Mr. TILLMAN. Since 1900?

Mr. BRADLEY. Oh, yes.

Mr. TILLMAN. Have not the Republicans been in full control here since then?

Mr. BRADLEY. Yes.

Mr. TILLMAN. Then, why does the Senator charge this to the Democracy?

Mr. BRADLEY. I simply charge that, if it had not been for the Democrats, this trouble never would have existed.

Mr. TILLMAN. I know; but if we have been fooled once, why do the Republicans follow our bad example?

Mr. BRADLEY. I do not want them to follow your example.

Mr. TILLMAN. They have.

Mr. BRADLEY. And I am trying my best now to prevent it; but I want to show further along why the Republicans have not passed these bills.

Right at this point, I want to call attention a little more particularly to the differences which existed between the Wilson bill and the McKinley bill. Under the McKinley bill the farmer had the right to sell his tobacco without the payment of tax and his vendee had the right to sell without the payment of tax; in other words, leaf sales were free. Under the Wilson bill the farmer had the right to sell without the payment of tax, but his vendee had no such right. You will see, therefore, the very great difference existing between these two bills.

Under the rulings of the Commissioners of Internal Revenue the right of the farmer to sell his leaf tobacco under the Wilson bill has been held to be a personal privilege that can not be delegated by him to another person. He can not employ another to travel from place to place to sell and deliver his tobacco, not even a member of his own family; nor has he the right to place it in the hands of any person to be sold for him except a manufacturer, as described in section 69 of the Wilson law; and those manufacturers are in each case required to pay 6 cents per pound tax on all tobacco sold. I may add here that these persons, in nearly every instance, are under the control of the trust, and thousands of them are now protesting to the Senate against the removal of the tax as provided in the present amendment.

So it is, Mr. President, as the law now stands, the farmer must leave his farm and travel over the country in order to sell and deliver his tobacco. This he can not do, for two rea-

sons: First, on account of the expense attending it; and, second, because he can not neglect his farm and family. Like Tantalus, he is surrounded by water, yet can not drink. His privilege amounts to nothing, comparatively speaking, in his own neighborhood, because there are so many tobacco producers in his vicinity that his market is wholly with the consumer, and he can not exchange his tobacco at the country store for goods, wares, or merchandise without paying the 6 cents tax, for the merchant will not take it, even if he is a licensed dealer, unless he protects himself by charging the 6 cents tax that he must pay for the privilege of reselling.

The law as it now stands amounts substantially to the permission that the mother gave her daughter when she told her that she could go out to swim, but must not go near the water.

Mr. TILLMAN. That is the Dingley bill.

Mr. BRADLEY. No, sir; that is the Wilson bill.

Mr. TILLMAN. But the Wilson bill is dead; it is repealed.

Mr. BRADLEY. The Wilson bill is not wholly dead; it only "sleepeth" in part. Let me say that the provisions of the Wilson bill as passed in 1894, about which I am talking, were not interfered with by the Dingley bill, but the law stands to-day as it stood then, a monument of injustice to the farmers of this country.

Mr. TILLMAN. Mr. President—

The VICE-PRESIDENT. Does the Senator from Kentucky yield to the Senator from South Carolina?

Mr. BRADLEY. Certainly.

Mr. TILLMAN. Will the Senator deny that the present law in regard to tobacco is the act, or omission to act, of the Republican party?

Mr. BRADLEY. I deny that it is their act.

Mr. TILLMAN. Well, if the Democrats made a mistake, or committed a crime, we will say—

Mr. BRADLEY. Oh, not a crime.

Mr. TILLMAN. It is a crime to rob farmers of their living—I do not agree with the Senator on that proposition; I say it is a crime—if the Democrats committed a blunder or a crime and the Republicans left it alone, after the tobacco trust had organized and got its tentacles and its influence in here, where does the blame rest?

Mr. BRADLEY. Well, it seems to me that the man who does the devilment is more responsible than the fellow who lets the devilment alone after it is done.

Mr. TILLMAN. That is a question of ethics.

Mr. BRADLEY. But, as I said to the Senator a moment ago, I do not approve of that; and I want to give the reason later on why it was done. What I am trying to do now is to induce the Republican party to go back to the provisions of the McKinley bill and do the farmers of this country and also the laborers justice.

Mr. TILLMAN. If the Senator had confined his argument to a plea for justice to the farmers, every Democrat here was listening to him with an earnest desire to help him; but when he undertakes to turn his argument into a partisan one and to lay all the blame on the Democrats, when his own statement of fact shows that it is not true, I do not see what the Senator expects to accomplish.

Mr. BRADLEY. Mr. President, it was not my purpose to cause any Senator to become excited or to lose his temper. I am giving the history of this bill, and I am putting the responsibility where it belongs. So far as it may belong on the Republican party by act of omission, I am putting it there, and so far as it belongs on the Democratic party by act of commission, I am putting it there. I want the people of this country to know exactly how this thing came about and exactly why it has continued; and I will show them before I am through. I am not undertaking to make a partisan speech; I am putting the blame where it belongs in the first instance; I am asking for justice to one of the great industries of this country; and I am asking that an iniquitous law shall be repealed.

It matters not so much who is responsible, nor the degree of that responsibility, for, whoever is responsible, the law should no longer remain upon the statute book. I will discuss later the question as to what is the cause of the present position of affairs, and why it is that this law which was adopted by the House has never passed the Senate.

There are two objections made to my proposed amendment, and to those objections I desire for a few minutes to call the attention of Senators. First, it is objected that the passage of this amendment will open the door to fraud and render uncertain the enforcement of the tobacco tax; secondly, that it will materially decrease the amount of revenue collected.

As to the first proposition, it may be said that no law can be devised which will entirely prevent fraud. As long as human cupidity and ingenuity exist, just so long will fraud be perpetrated. There are violations every day of internal-revenue

laws, and they will continue more or less as long as those laws remain on the statute book. Indeed, the same may be said of all laws.

In support of the contention named, the letters of the late Secretary Cortelyou and the present Acting Commissioner of Internal Revenue will be quoted. A close examination of these letters, in connection with the clear and explicit statements of late Commissioner of Internal Revenue Yerkes, the operations of the McKinley bill, the constant violations of the present law, and the additional safeguard established by the proposed law, will show how very little foundation there is for the apprehensions of the ex-Secretary and the acting commissioner, whose communications are substantially the same, both going back to the report of the commissioner in 1871, calling attention to the large amount of leaf tobacco sold at retail directly to the consumer without payment of any tax, and, quoting the language of the then commissioner, that—

The traffic was so injurious to the manufacturers and prejudicial to the revenue that the manufacturers asked to be protected from such sales.

It seems that while the commissioner's ear was keenly attuned to the complaint of the manufacturer and his plea for protection, it was deaf to the cries of the producer and laborer, who were suffering by reason of the practices of the manufacturer. The manufacturers, however, are generally too modest to ask for protection. They usually confine themselves to expressions of great concern lest the revenue may be curtailed. The exhibition of their desire to protect the Government is truly pathetic, and may be likened to the great desire of the wolf to protect the shepherd in order that he may fatten upon his sheep.

Mr. Cortelyou proceeds to tell how a law was passed in 1873 imposing such taxes as rendered it impossible for any person to carry on the business of selling raw leaf tobacco directly to consumers or others than leaf dealers or manufacturers. But he forgot to mention that the laws up to 1871 did not throw the safeguards around the sale of tobacco that have since been provided; and he forgot also to mention the fact that the law of 1873 was wiped from the statute books by the McKinley Act in 1890 and laws passed such as would and did make more difficult the commission of fraud than ever before, and these laws are in force to-day. Mr. Cortelyou says—and here is the milk in the cocoanut—that fraud will be hard to detect when “the present means of tracing leaf sales is practically abandoned.”

It is upon that theory that heretofore the commissioners of internal revenue, some of them, have given their opinions. It is for that reason that this bill did not pass the Senate and was never reported to the Senate by the Finance Committee; because, although the bill had passed the House four times, there was no provision in it in any way providing for the tracing of the sales of leaf tobacco. Hence it was that the commissioners and the Secretary of the Treasury objected to its passage. The section which provided for the tracing of leaf sales in the McKinley bill was repealed by the Wilson bill, and no provision of a similar character was embraced in the act that four times passed the House of Representatives; but now, by the amendment which I propose, that provision is restored, and hence all the apprehensions that may have been felt by reason of frauds liable to be committed on the revenue, or because of a decrease in revenue on account of the fact that the sales of leaf can no longer be traced, are now provided for in the amendment which is offered, restoring that provision.

Mr. BEVERIDGE. Mr. President—

The VICE-PRESIDENT. Does the Senator from Kentucky yield to the Senator from Indiana?

Mr. BRADLEY. I do.

Mr. BEVERIDGE. The Senator says the reason why the bill which passed the House four times was not reported by the Finance Committee of the Senate was because it left out this provision for tracing the sales. That could readily have been inserted by the committee, and it does not seem to me to be a very good reason, because it could have been inserted in a moment; so that the objection of the Treasury Department and the committee could have been obviated by inserting that. Is not that true?

Mr. BRADLEY. I will say to the Senator from Indiana that I agree with him that such provision could have been inserted, but its absence was the reason given by the committee why it should not pass, and the attention of the committee, I will say in justice to them, was not specifically called to the insertion of such a clause, but their attention was called to the danger of fraud under the bill as proposed by the letters of the commissioners and the letter of the Secretary of the Treasury that the law did not provide for the tracing of leaf sales.

I am not here to make excuses for anybody, nor am I here to unjustly condemn anybody. I have no doubt the committee

did what they conscientiously believed was right. I have no doubt that when gentlemen passed the Wilson bill they voted for what they conscientiously believed was right, and, as I said a moment ago, voted without knowing the effect of their votes, or their votes would never have been given for the bill.

Mr. SIMMONS. I understand the Senator to say that when the Wilson bill was passed those who voted for it voted without knowing what its effect would be. Now, the Wilson bill was repealed three years after that. Did not those who voted to repeal it vote knowing what they were doing?

Mr. BRADLEY. I will say to the Senator, as I said a moment ago, that the Wilson bill has not been repealed. In some respects it has, but in this respect it has not. As to whether the men who voted for the repeal of portions of that bill considered this matter I do not know, but I do know as to the others, because I have had Democratic friends tell me that they did not know what the effect of the Wilson bill was, or they would not have voted for it.

Mr. SIMMONS. When I said “repealed,” I meant to use the word “reenacted.” When those who voted for the Dingley bill reenacted the provision which the Senator speaks about in the Wilson bill, did they not then act with that light which the Senator says those who voted for the Wilson bill did not have at the time?

Mr. BRADLEY. I repeat, Mr. President, that the Dingley bill did not repeal this provision of the Wilson bill, nor did it reenact it.

Mr. SIMMONS. I said “reenacted.” It would probably have been more accurate to have said “continued” this provision of the Wilson Act.

Mr. BRADLEY. It was not necessary to reenact it, or to continue it. It remained the law without disturbance.

Mr. TILLMAN. Then the Senator's real complaint is that the Republicans did not repeal it, instead of the Democrats having acted.

Mr. BRADLEY. If the Senator so understands me, he is mistaken. That is not my complaint, Mr. President, and I am trying very hard to make myself understood. It seems I am making very poor progress.

Mr. TILLMAN. I understand you perfectly.

Mr. BRADLEY. The Republicans failed to reenact the McKinley bill. Now, you ask me whether I approve of that. I say, No; I do not. I do not approve of their failure to reenact the McKinley bill any more than I approve of the Democratic party passing the Wilson bill; but if the Wilson bill had not been enacted, no reenactment of the McKinley bill would have been necessary.

Mr. LODGE and Mr. BAILEY rose.

The VICE-PRESIDENT. Will the Senator yield, and to whom?

Mr. BRADLEY. I yield to the Senator from Massachusetts.

Mr. LODGE. I merely desire to ask the Senator a question. The distribution of blame seems to me to be unimportant. The Senator's statement is a most interesting one, and I have listened to the whole of it; and what I am anxious to get at is how the removal of the internal-revenue tax on leaf tobacco, or, if you please, the shifting of the payment onto the consumers, is going to relieve the tobacco grower from the control of the American Tobacco Company? If it disturbs the Senator's argument to answer me now, and he will take it up later, of course that will be perfectly satisfactory to me.

Mr. BRADLEY. I will take that up later.

Mr. BAILEY. I want to help the Senator from Kentucky, because I happen to know something about the conditions that exist in his State, and I happen to have a special fellowship with those Kentuckians. The trouble was more in the construction placed upon the Wilson bill than it was in the bill itself; and without intending to criticize anybody, I think there was never anything more foolish than to hold that when Congress permitted a man to do a thing it required him to do it in person instead of permitting him to do it through an agent.

I want also to suggest, in addition to that fact, that when the Wilson bill was passed the tobacco trust had not been organized. If it had been I have no doubt that the matter would have been attended to more closely.

Mr. BRADLEY. Mr. President, it may be that the construction placed upon this law by the commissioners of internal revenue went further than it should have gone, in holding that the farmer must himself sell and deliver his tobacco, but that at last was not the trouble. The trouble was that the vendee of the farmer could not sell his tobacco without the payment of the tax. The farmer might have sold as much as he chose, but he was limited necessarily in the field of his operations, because he could sell alone to consumers. The man to whom he sold could not resell without paying the tax; and

so far as the organization of the tobacco trust was concerned, I say, in response to the Senator from Texas, that the American Tobacco Company was organized in 1890, which was long before the passage of the Wilson bill.

Mr. BAILEY. The Senator from Kentucky took that statement from across the aisle, and it is not true. I know, and the Senator from Missouri [Mr. STONE], if he were in his seat now, would bear me witness, that the American Tobacco Company never controlled or acquired its great competitor in the Southwest, the Liggett & Myers Tobacco Company, until long after the Wilson bill had been passed. The American Tobacco Company as a trading corporation may have been organized before that. That has never been a matter of any importance, and I have never inquired into it; but the organization of the trust as it is now constituted occurred long after the Wilson bill was passed, and, in my opinion, occurred after the Dingley bill was passed.

Mr. PAYNTER. Mr. President—

Mr. BRADLEY. Will my colleague kindly wait a moment? As to when the American Tobacco Company was organized, I have stated, and I repeat, that it was organized in 1890. As to when it put its various competitors out of business, I do not know, but I do know that the American Tobacco Company long before 1894 formed many subsidiary companies and engaged in manufacturing plug and smoking tobacco, and put many of its competitors in that line out of business. That seems to have been its favorite employment from the time of its inception up to the time when it became absolute ruler of the markets of the world. Long before 1894 it had proven itself with its subsidiary companies a most oppressive and powerful trust. It must not be forgotten that the regia system was in full flower long before 1904.

Mr. SIMMONS. I understood the Senator a little while ago to say that the farmer was in his present predicament largely as the result of certain arrangements between the American Tobacco Company, which he calls "the trust," and the Imperial Tobacco Company, of Great Britain, which have divided between themselves this country and the world—

Mr. BEVERIDGE. No.

Mr. SIMMONS. A large part of the world.

Mr. LODGE. Most European countries are under governmental monopoly.

Mr. SIMMONS. Those under the regia system. I understood the Senator from Kentucky to say that the present difficulty of the tobacco farmer in finding unmonopolized markets was largely due to the establishment by various countries of what he designates as the "regia system" and the agreement between a certain manufacturer's trust here and abroad. What I desire to ask the Senator—and I ask it merely as a matter of information—is this: When did the Imperial Company and the American Tobacco Company enter into this arrangement by which they partitioned the market here and in certain other countries, and when did these foreign countries introduce this regia system?

Mr. BRADLEY. I have not the exact date. I have it among my papers. But I assert that the troubles of the farmer could not have come upon him but for the passage of the Wilson bill.

Mr. SIMMONS. The Senator says that the combination between our trust and the foreign trust and the establishment of the regia system have put the farmer in his present predicament. I will ask the Senator if he does not know that this trust combination in this and in foreign countries and the establishment of the regia system did not take place till after the passage of the Wilson bill?

Mr. LODGE. Mr. President—

The VICE-PRESIDENT. Does the Senator from Kentucky yield to the Senator from Massachusetts?

Mr. BRADLEY. Certainly.

Mr. LODGE. The government monopolies with respect to tobacco in Europe are nothing new. As to when the arrangement was made with the American Tobacco Company, I know nothing, but the idea that these government monopolies are new is a great mistake.

Mr. SIMMONS. Will the Senator from Massachusetts furnish the Senate with information as to when the American Tobacco Company and the Imperial Company entered into this combination?

Mr. LODGE. I do not know the date of the arrangements which have been made.

Mr. SIMMONS. Does not the Senator know that it was after the passage of the Wilson bill?

Mr. LODGE. The Imperial Company is not a government monopoly.

Mr. SIMMONS. The Senator need not tell me that. It is not a government monopoly. It is a private corporation, just

as the American Tobacco Company is. There is no government monopoly in Great Britain.

Mr. LODGE. It exists in France, Italy, Spain, Russia, and Austria certainly; I think in Germany, but I am not sure. But at all events in all those countries it has existed for a great many years. What I wanted to find out was when the arrangement was made with those government monopolies by the American Tobacco Company.

Mr. SIMMONS. The Senator from Massachusetts can not have failed to understand the inquiry. I think it is valuable that the Senate should know when that combination was made.

Mr. BEVERIDGE. I can give the Senator the date, if he would like it.

Mr. LODGE. The Senator from Indiana no doubt has information on that point.

Mr. BEVERIDGE. I can give the Senator the information, if he wants it.

Mr. SIMMONS. That information may be very familiar to the Senator from Massachusetts, who happens to be possessed of more information than some of the rest of us. But that is no reason why we should not desire it.

Mr. BEVERIDGE. The Senator wants to know at what time the British combination was made.

Mr. SIMMONS. I want to know that, because the Senator has laid great stress upon that as one of the chief sources of oppression—

Mr. BEVERIDGE. Yes.

Mr. SIMMONS (continuing). From which he is now seeking by the amendment to relieve the tobacco farmers of his State.

Mr. BEVERIDGE. That particular campaign—the trust's campaign in England—was begun in 1901–2, and the result of the operations of the American Tobacco Company in the British markets was the formation of this Imperial Tobacco Company, which, as a matter of fact, was practically composed of the same men and of their competitors in Great Britain. Immediately after that another company was formed, controlled by the same men in control of the American Tobacco Company and the Imperial Tobacco Company. This new company was called "the American-British Tobacco Company," which, as the Senator from Kentucky has truthfully said, divided the then remaining markets of the world. The Imperial Company was given the exclusive trade of the United Kingdom; the American Tobacco Company was given the exclusive trade of this country and dependencies; the British-American Company was given the remainder of the world. That began in 1901–2.

The American Tobacco Company itself was formed in 1890, as the Senator from Kentucky correctly says, and in 1891, a year after its formation, it began to broaden its field by its process of absorption. It began by buying large plants that manufactured plug and smoking tobacco.

Mr. SIMMONS. I understand this process of absorption began as soon as the trust was formed in 1890.

Mr. BEVERIDGE. I do not think the trust was formed in 1890—only its foundation laid.

Mr. SIMMONS. It did not reach its consummation until 1901.

Mr. BEVERIDGE. That is quite right. I do not think it is accurate to say that the trust was formed in 1890. What was formed in 1890 was the original American Tobacco Company, which is not the present American Tobacco Company, which may be well called the "American Tobacco Company No. 2," and is known as the "trust." The original American Tobacco Company, formed in 1890, had at its inception a practical monopoly of cigarettes, and so vast were its profits that it determined to prosecute the policy it has since followed of buying up manufacturing plants in other branches, beginning with plug and smoking tobacco.

This went on until 1908, when it had formed the Continental Tobacco Company, absorbed the Union Tobacco Company, and developed the tremendous combination known as the "trust." It has gone right on since then. But the question you asked about—its British operations—was 1901 and 1902.

Mr. BRADLEY. I did not say that the tobacco trust was formed in 1890.

Mr. BEVERIDGE. No.

Mr. BRADLEY. I said the American Tobacco Company entered the commercial world in 1890—

Mr. BEVERIDGE. That is right.

Mr. BRADLEY (continuing). Under the innocent guise of a manufacturer of cigarettes, with a capital of \$25,000,000, and proceeded at once to swallow its competitors.

Mr. BEVERIDGE. That is right.

Mr. BRADLEY. Now, as to when this contract was made with the Imperial Company, is wholly immaterial. It may have been made, and doubtless was made, after the passage of

the Wilson bill. But that does not break the force of what I have said when I say that by reason of the Wilson bill being upon the statute book the farmers of this country were unable to protect themselves, whereas had the McKinley bill remained they could have protected themselves against this combine.

Mr. BAILEY. Mr. President, I stated that the tobacco trust was formed after the Wilson bill had passed, and, in my opinion, after the Dingley bill had passed. I have in my hand a very interesting volume called "The Truth About the Trusts," handed me by a Senator, and I find in it the statement that the tobacco trust was incorporated at Trenton, N. J., under New Jersey laws, in June, 1901. That is the tobacco trust. That there was earlier than that a consolidation of certain companies is true, but it is likewise true that that consolidation up to that time neither in the case of tobacco nor in any other case, except, perhaps, in the case of the oil companies, had proceeded to such extent as to especially arrest the attention of Congress and of legislatures.

I simply wanted to be accurate; and I also wanted to turn the discussion from a political aspect, because I am anxious to see the Senator from Kentucky and his colleague, representing, as they do, different political parties, poll a practically united vote in behalf of this motion.

Mr. BRADLEY. I have been trying to do that, and hope to succeed.

Mr. PAYNTER. Mr. President—

Mr. BRADLEY. I yield to my colleague.

Mr. PAYNTER. Mr. President, I do not rise to express any difference with my colleague upon this question, neither do I have any difference with him as to what should be the effect of the legislation sought. The Senator from Texas has given the date of the organization of the American tobacco trust. After that time it began its aggressions against and absorptions of the competing plants. This took place after the passage of the Wilson bill and after the passage of the Dingley bill. At the time these bills were passed no one in Congress anticipated that the tobacco trust would be created and, of course, the dire results that were to follow. It was asked a moment ago—and that was the reason why I rose—when it began its campaign in Great Britain. It was in 1902, and by a reference to a speech which I delivered on the 13th of May, it will be seen the first step it took was to offer its customers about a million dollars yearly to induce them to buy tobacco from it. It created such terror in the minds of competing concerns that they were forced to agree to the terms to which reference has already been made.

Mr. BEVERIDGE. The date of the organization of the so-called "tobacco trust," under the laws of New Jersey, given by Moody as being in June, 1901, was in reality the date of the incorporation of what was called the "Consolidated Tobacco Company." The Consolidated Tobacco Company was purely a "holding company," such as the Northern Securities Company was in the matter of railroads. The Consolidated Tobacco Company took over the American Tobacco Company and the Continental Company. Both were controlled by the same men as was the "holding company." That might be accurate, so far as Moody is concerned, as stating the date of the company's formation. But the whole process up to that time, as to the absorption and control of the tobacco market, had gone on under the name and, in fact, under the power of the American Tobacco Company and its affiliated concern, the Continental. The trust really existed in as bad a form, for practical purposes, years before the "Consolidated" as it does to-day.

In 1904 or 1905 the American Tobacco Company No. 2 took over all the business of the Continental Company and of the old American Company, and the "Consolidated" Company was dissolved. It was merely as a holding company.

The Consolidated Tobacco Company dissolved in order to escape the effect of the decision of the Supreme Court in the Northern Securities case, and then, I believe it was about 1904 or 1905, the American Tobacco Company took over all of the business of the Continental and of the old American and of the Consolidated which succeeded it.

Mr. BRADLEY. As I said a moment ago, it is entirely immaterial so far as this discussion is concerned as to when this combination took place. The question is, What was the law at the time those combinations took place?

Mr. SIMMONS. Mr. President—

Mr. BRADLEY. I shall decline to yield any further.

The VICE-PRESIDENT. The Senator from Kentucky declines to yield further.

Mr. BRADLEY. I wish to proceed now with what I have to say.

As I said a moment ago, one of the objections that has been made is, so far as these four bills were concerned, that the law

would be open to the commission of fraud. I want to call attention to this fact.

With the existing law requiring stamps representing the payment of the 6 cents tax to be affixed upon each package of manufactured tobacco and providing severe punishment for a failure so to attach them; fixing the weight and requiring stamps to be affixed to each box or package of cigars or cigarettes, representing the payment of the 6 cents tax, with the proper precautions for the destruction or cancellation of such stamps; the law requiring the registry of each manufactory and regular reports of inventory, of which the collector is required to keep a record; and the reenactment of the provision of the McKinley bill, which enabled the tracing of leaf sales, it seems to me it provides against the commission of fraud as well as human ingenuity can provide against it; and such provision relieves the bill of the objection of Secretary Cortelyou and the Acting Commissioner and the Commissioner of Internal Revenue in regard to the absence of any rule which provided for the "means of tracing leaf sales." Of course frauds will be committed under this bill in whatever form it may be passed.

I wish to call the attention of Senators to another fact. The McKinley law remained in force for more than three years, and I affirm that during all that time it can not be found that a single officer of the Government ever reported that there was an increase of fraud by reason of the passage of the McKinley law. On the hearings which took place before the Ways and Means Committee having in charge the Wilson bill, in 1894, there was not one iota of proof in regard to the increase of frauds under the McKinley law.

You will be told that the Commissioner of Internal Revenue, in 1892, speaks of the decrease of revenue under the McKinley bill. This is true, and here is what he says:

The decrease of collections for the last fiscal year, as compared with those for the previous fiscal year, was \$1,795,777.90.

But in the very next sentence he states the reason why:

This is due to the reduction by the act of October 1, 1890—

The McKinley bill—

of the tax on snuff, chewing and smoking tobacco, January 1, 1891, from 8 to 6 cents per pound, and to the repeal of special taxes relating to tobacco, May 1, 1891.

I affirm that an examination of statistics will show that the chief decrease was by reason of the reduction from 8 cents to 6 cents, and not by reason of the repeal of special taxes so far as leaf is concerned.

Here we have the authority of the commissioner that the increased sale of leaf tobacco did not alone cause the decrease, but that it was caused by a variety of agencies, chief of which, I have affirmed, was the reduction of the tax from 8 to 6 cents per pound.

The purpose of the amendment is in substance and effect to reenact the McKinley bill, and if that bill operated well for three years, both as to fraud and revenue, as I have shown, there can be no reason why it would operate otherwise now. This is the most conclusive argument that can possibly be made in favor of the proposed amendment, for that which experience has shown both safe and sound may be risked with the expectation that the future will prove what the past has demonstrated.

The letter of Commissioner Capers is based upon the same proposition as those of the Secretary of the Treasury and the acting commissioner, that the "means of tracing leaf sales" did not exist.

But suppose that all these apprehended frauds upon the revenue should be committed, suppose we are wrong in saying that they have been provided against, I ask the Senate what are the commission of those frauds against the Government when compared to the commission of frauds upon the people? Is it not better that the Government should lose a comparatively small amount than that a large number of its citizens should be made paupers? Is it not better that the petty thief here and there should escape with his little plunder than that a giant corporation should escape with millions filched from the suffering poor?

Commissioner Yerkes states that in the event this tobacco is twisted it will reduce the revenue in the neighborhood of \$750,000 annually. The law proposed, Mr. President and Senators, does not even ask for so slight a concession as that. The law proposed only asks that the farmer shall sell his tobacco "in hand" and that his vendee shall so sell it. "In the hand" means the leaves are simply stripped from the stalks and a leaf is tied around the upper ends of a number of leaves for the purpose of curing them; and every man knows tobacco can not be so readily sold arranged in that way as when it is placed in the more convenient shape of a twist.

Here is what Commissioner Yerkes said to Chairman DALLAN in a letter:

Allow me to say, first, that so far as the effect upon the revenue is concerned, should this proposed bill be enacted, it is impossible to make an accurate, definite statement. To the extent that leaf tobacco in the "hand" displaces manufactured tobacco, both chewing and smoking, the revenue will be decreased, as in this way tobacco paying no tax will displace tobacco paying 6 cents per pound in its manufactured condition. I am of the opinion that the decrease of revenue will be comparatively small.

Then Mr. Yerkes was brought before the Committee on Ways and Means, and he testified as follows:

I do not think it would materially injure the revenue of the Government. I do not think it would materially affect the proper enforcement of the revenue law, and I believe it would give large relief to the tobacco grower.

Mr. BEVERIDGE. I was just going to call the Senator's attention to the fact that even if it were conceded that this small amount of revenue would be lost to the Government, still the amendment which I have on another phase of this same question would supply the Government unquestionably and accurately with over \$21,000,000.

Of course the trust does not want the Senator's amendment, because it would weaken the trust's control of the leaf market. Neither does it want my amendment, because that would prevent it from putting into its pockets the money it once collected for the Government and which it now still collects and keeps for itself.

The point which I am making in aid of the Senator's argument is that even if it were conceded, which I think it is not, that there would be some slight loss to the revenues, an inconsiderable amount, still the amendment which I have proposed would furnish the Government with more than \$21,000,000. That makes up several hundred or several thousand per cent of the loss caused by the Senator's amendment, even if there was any.

Mr. BRADLEY. But upon the percentage of loss under the act of 1871, when the provisions and safeguards that now exist did not exist, it is estimated that this measure would cost the Government of the United States \$3,000,000. The total loss from all sources under the McKinley bill for 1892 was only \$1,795,000, hence it is impossible that we shall now suffer a loss of \$3,000,000. But suppose the loss would reach \$3,000,000, what is this sum of money in comparison to the crippling of a great industry, for as surely as the sun shines, if conditions are continued, they will lead to its destruction in Kentucky.

What is this sum of money as compared with the happiness and well-being of more than a million people? What is this sum of money when compared with the failure of a great Government to protect its people from injustice and pillage? Governments are not constituted alone for revenue. No such sordid basis of government exists. They are instituted, above all things, for the protection of life and liberty and the equal distribution of justice. Revenue is merely a secondary consideration and can always be found by some method rather than binding a large body of people hand and foot and turning them over to a rapacious trust.

There are many ways in which revenue may be supplied, one of which the distinguished Senator from Indiana [Mr. BEVERIDGE] has alluded to, and I call attention to some others.

The proper increase of the tariff on Turkish tobacco, which comes from a country which will not allow the import of our tobacco under any circumstances, will produce one million and a half dollars more than it now produces. Which is better, that we should deny justice to our own people, or collect revenue from the haughty, ignorant, and intolerant Turk?

A tax of 1½ cents per pound on jute and jute butts, the product of ignorant and degraded laborers paid 5 cents per day, which competes with American labor paid \$1.50 per day, which now does not yield a single cent of revenue to our Government, would produce \$3,600,000—\$600,000 more than the highest and most extravagant estimate that has been made by reason of loss under this amendment.

Shall we abandon our own people in the hour of extremity or collect a tariff on articles produced by degraded foreign labor?

Mr. President, I stand for my own country against all other countries, for the American home and fireside against the homes and firesides of all the remainder of the world, and for my own people against all other people.

But we are asked, Why should you allow the farmer, his vendee, and others to sell without payment of taxes, and then collect 6 cents a pound from the manufacturer? I might ask, What justice is there in collecting a tax from the sale of beer, when there is no tax on hops, barley, or other things that make it? I might ask, What justice there is in collecting a tax on spirits, when there is no tax on corn, rye, or wheat that enter into its manufacture? We must remember, Mr. President,

that by manufacturing the value of the original article is very much increased. One pound of natural leaf will make nearly 1½ pounds of manufactured plug.

Mr. BEVERIDGE. That is quite a difference.

Mr. BRADLEY. Yes; it is on account of the licorice and other things. That manufactured plug sells, I believe, at from 40 cents to \$1 per pound, an average of 70 cents a pound.

Yet in selling a pound and a half they sell only 1 pound of tobacco, and they get an average price of 70 cents per pound, when the farmer's vendee can not sell that tobacco with the tax taken off of it for more than 20 cents, if that much. So the manufacturer gets more than three times as much for 1 pound of tobacco as the farmer.

Now, take smoking tobacco. It costs only 1 cent a pound to manufacture smoking tobacco. It sells at from 25 to 80 cents per pound, an average of 52½ cents. Thus it appears that even smoking tobacco with 1 cent of labor bestowed on the pound sells for nearly three times as much per pound as 1 pound of natural leaf.

I ask what injustice is there in protecting the farmer to this small extent? You charge a tax to the manufacturer who in a few days, comparatively, makes his tobacco, while it takes the farmer thirteen months to cure his crop of tobacco. What harm is there in giving some protection to the sweat of the farmer's brow as against the art, the ingenuity, and frequently the deception of the manufacturer?

The amendment that I offer in plain terms allows the farmer and all others to sell unstemmed natural leaf without the payment of any tax. The Senator from Massachusetts [Mr. LODGE] asked me awhile ago, and I regret that he is not in the Senate now, to show him how the taking off of this tax will benefit the farmer. As it is, the farmer has no bidders except those who are in collusion, unless he delays the sale of his tobacco until absolute necessity forces a fair price. He is left to-day in this circumscribed condition. He must keep his tobacco for years and pay all expense of storage and all it requires to raise and cure it without any return.

But the moment that this law passes the farmer will have a market. To-day he can not even sell his tobacco in exchange for merchandise at the country store because the merchant must pay the tax before he can resell it. But pass this law and the farmer can sell his leaf tobacco from one end of the country to the other to the merchant and the middleman, who will sell to the consumer, and in this way the farmer's market will be increased a hundredfold above what it is to-day.

Take the negro on the cotton plantations of the South. There is not one of them who does not prefer the natural leaf tobacco on account of its strength, on account of its flavor, and on account of its cheapness. Take the poorer grade of whites throughout the country and you will find the same thing, in a considerable degree, to exist. Whenever you lift the embargo, whenever you give freedom to the farmer of this country in the sale of his leaf tobacco, you will give him a market which will relieve him from the coils of the commercial boia constrictor that is now crushing out his life, and not only so, but you will benefit the consumer, who will no longer be forced to buy the high-priced tobacco.

I wish you to bear in mind, Senators, that there are protests here from all over the country—from the cigar makers and the so-called "independent" manufacturers—against this amendment. Who are these so-called "independent" manufacturers? Do you suppose that this great combine, before which multimillionaires have trembled and begged for mercy, would allow a single one of these comparatively insignificant manufactories to exist, unless it agrees to act in harmony with it? They are the helpless Trilbys of the trust, that sing or remain silent at its command.

The cigar makers say they will be injured. I say no. Why? Because the people who will use this leaf tobacco are not able to buy cigars and do not buy cigars, and, whether this law passes or not, will not buy cigars. Therefore the cigar maker is not in any way affected.

I have listened during this session, Mr. President, to eloquent pleas by Senators from different sections of the country in behalf of the workingman. Time after time we have been told that the Republican party in its platform provided that the workingman should be protected, and that the producer and manufacturer should have a reasonable profit as well. I very frankly admit that I am in sympathy with that sort of doctrine, but while it is proper to extend the shield of protection over the workingman in the factory, in the forest, in the mine, to protect our people from foreign labor abroad, it is even more necessary to protect them at home from the greed of a rapacious trust that has dishonored and robbed American labor and humiliated American manhood.

We have been reminded of industries where 50,000, 10,000, 5,000 men were employed. I appeal to you to-day in behalf of an industry which in the State of Kentucky alone involves 80,000 laborers, and, counting the farmers, the wives, and the children of the producers and laborers, involves the happiness of 400,000 people.

I have voted in every instance for the protection Senators have asked for their people. I am a protectionist, and I believe it is not only right, but to the interest of the whole country. Now, I ask you, my friends, and those of you who have appealed to me to protect your people, will you protect mine? Are you really in earnest, and will you practice the teachings of the golden rule—"do unto others as you would have them do unto you?"

I appeal to you Senators in behalf of hundreds of thousands of Americans who have been stricken down by the ponderous mace of an all-powerful trust. I appeal for homes now in squalid poverty where once wholesome plenty reigned; for homes now dark and silent which once resounded with the innocent prattle and ringing laughter of happy children, who, with smiling mothers, in the eventide welcomed the weary toilers home. I appeal to you in the name of justice, which, with blinded eyes and steady hand, holds the evenly balanced scales in which sooner or later all will be weighed; and I not only appeal, but I demand justice for my people. In the hour of the Nation's extremity they answered its every call, and now they demand, in their extremity, that the Nation which many of their kindred died to save shall answer theirs.

If this call shall go unheeded, we have the satisfaction at least of knowing that there will come a time when our oppressors shall be weighed in the balances by a great and all-powerful God, whose judgment will be, "Thou art weighed in the balances and art found wanting."

Mr. CRAWFORD. Before the Senator from Kentucky takes his seat, I wish to suggest a question. It is whether the position of the Senator does not really involve the removal entirely of the internal-revenue tax from leaf tobacco, in order to make it effective? For instance, if you find it necessary to include the vendee of the farmer, will it not also be necessary to protect that vendee by extending it beyond him, or you will come up against a stone wall?

Mr. BRADLEY. Certainly; the object is to make it free in the hands of everybody after the farmer sells it, unless it is manufactured.

Mr. BRISTOW. Mr. President, I should like to have the extract which I send to the desk from the Wall Street Journal read.

The PRESIDING OFFICER (Mr. BRANDEGEE in the chair). Without objection, the Secretary will read as requested.

The Secretary read as follows:

[The Wall Street Journal, April 22, 1909.]

AMERICAN SUGAR REFINING'S REMARKABLE DIVIDEND RECORD—IN EIGHTEEN AND A HALF YEARS HAS RETURNED TO ITS SECURITY HOLDERS MORE THAN \$132,000,000—COMMON STOCK IN THAT TIME HAS PAID 175½ PER CENT IN DIVIDENDS AND PREFERRED STOCK 109½ PER CENT—EACH CLASS OF STOCK INCREASED FROM \$25,000,000 TO \$45,000,000—UNDER FAVORABLE TARIFF REVISION AND BETTER PRICES, THIS YEAR WILL MAKE BETTER SHOWING THAN 1908.

During the eighteen and one-half years of its corporate existence the American Sugar Refining Company has returned 7 per cent per annum to the holders of its preferred stock and a total of 175½ per cent to the holders of the common stock. This is a record that it would be hard to parallel, the more so because the company has not paid dividends at the expense of its working capital or made disbursements which prevented it from going ahead with replacement work.

In the ten years from 1891 to 1902 the amount of common stock was increased from \$25,000,000 to \$45,000,000, and since that time there has been no change, nor any variation from the dividend rate of 7 per cent per annum.

The following table shows the rate and amount paid each year since the company's organization:

Year.	Stock outstanding.	Rate.	Dividends paid.
		Per cent.	
1909 ^a	\$45,000,000	7½	\$1,575,000
1908.....	45,000,000	7	3,150,000
1907.....	45,000,000	7	3,150,000
1906.....	45,000,000	7	3,150,000
1905.....	45,000,000	7	3,150,000
1904.....	45,000,000	7	3,150,000
1903.....	45,000,000	7	3,150,000
1902.....	45,000,000	7	3,150,000
1901.....	44,140,185	7	3,089,807
1900.....	36,908,000	7½	2,865,000
1891-1899, inclusive.....	36,773,000	7½	26,616,960
1898.....	36,773,000	2½	7,966,195
1892.....	25,000,000	10½	3,750,000
1891.....	25,000,000	4	1,000,000

^a First half year.

Mr. BRISTOW. Mr. President, as an evidence of who were the real parties in interest in the failure of the Senate to remove the provision relating to the Dutch standard from the pending tariff bill, I wish to say that, after the vote was taken yesterday, the stock of the American Sugar Refining Company went up five-eighths. I now desire to have the article read which I send to the desk, from the Wall Street Journal.

The PRESIDING OFFICER. Without objection, the Secretary will read the article as requested.

The Secretary read as follows:

SUGAR DIRECTORS AND THE PUBLIC.

There are certain officials of the sugar company who must have been aware, from the fact that they were buying imported sugar at one weight and paying duty on it at a lower one, that some irregular practice was going on. They might have been deceived if the matter had resulted from occasional unavoidable mistakes, but a uniform discrepancy was so patently a fraud that every official who had the handling of these figures became a party to the crime.

There are three directors of the American Sugar Refining Company who joined the board within the past two years, and it may be allowed that they are not in any great measure responsible for the conditions they found. The name of one other director first appears in the list of officers published with the report for 1905. President H. O. Havemeyer is dead and L. M. Palmer retired, but there are five other directors whose names appear from year to year during part or all of the time covered by the frauds.

Following the excellent principle of the law, this newspaper assumes every man innocent until he is proved guilty. It does, however, recognize that a man of honor does not care to have his name remain under a cloud. It is no excuse in law or morals to suggest that some of these directors did not direct. Two of them, at least, have become, respectively, the president and the vice-president of the company since H. O. Havemeyer's death; and the other three are men of equal position and standing in the financial community. They can not, as men of ordinary common sense, suppose that the world will believe that a small band of subordinate employees, receiving salaries of not more than \$30 a week each, at the outside, would, among themselves, organize a plot to put upward of two millions of the public's money into the pockets of the American Sugar Refining Company out of sheer altruism.

The supposition is absurd, and it is equally absurd to suppose that the existence and method of this peculiarly dastardly swindle was not known in quarters much more exalted. Public opinion will certainly not be satisfied with the punishment of one or two of the sugar company's weighers, or even a couple of customs officers, who might, quite easily, have lost their positions had they carried their suspicions past their immediate superiors. As men of the most elementary personal and commercial honor, the responsibility of handing over the real criminals rests with those directors who sat upon the board of the American Sugar Refining Company through the past ten years. They are: President, W. B. Thomas; vice-president, Arthur Donner; John E. Parsons, J. Mayer, C. H. Senff.

Mr. BRISTOW. Mr. President, I take it for granted that the Senate has probably heard all of the sugar discussion that it desires to hear at this time, so I shall not offer any additional amendments to this paragraph now; but when the bill reaches the Senate I hope to have some amendments to offer, and I hope then to be able to induce the Senate to change the provisions of this paragraph.

Mr. ALDRICH. I ask that the paragraph be agreed to.

Mr. McCUMBER. Mr. President—

The PRESIDING OFFICER. The Senator from Rhode Island asks that paragraph 213 be now adopted.

Mr. McCUMBER. Before the adoption of the paragraph, I ask to have read a letter which I have received from home. I only want to say that in the western part of North Dakota, where we have irrigation projects, and all along the Missouri, we have, perhaps, better soil and climate for the production of beets, and consequently for a valuable beet industry, than can be found in any other place in the United States. This letter bears upon that subject, and gives the view of those people who have farms and who live near these irrigation projects. I ask that the letter may be read and printed in the Record. It will speak for itself.

The PRESIDING OFFICER. In the absence of objection, the Secretary will read the letter.

The Secretary read as follows:

WILLISTON LAND COMPANY,
Williston, N. Dak., May 17, 1909.

Hon. P. J. McCUMBER,
Washington, D. C.

DEAR SIR: I am advised that discussion of the sugar tariff will come before Congress shortly and that action detrimental to the sugar-beet interests of the country may possibly result. In view of the fact that we are to have a beet-sugar factory at Williston in the near future, and the further fact that the success of the Williston and Buford-Trenton irrigation projects, as well as all projects which may hereafter be installed in North Dakota, will depend largely upon the sugar-beet industry, I deem it advisable to bring the matter to your attention. A number of our farmers are growing small tracts of beets this season under the ditch, and they are all working industriously to have the factory built next season. Representatives of the beet-sugar company have looked the ground over several times and are willing to invest their money in a factory, in the belief that it will supply practically the entire sugar demand of North Dakota. Should the existing protection to the sugar-beet industry be removed or reduced, however, it is more than likely they would abandon, or, at least, indefinitely postpone, their present plans. The same situation exists in many sections of the West, espe-

cially those dependent upon irrigation. The sugar-beet industry is of such great and growing importance to the development and prosperity of the entire country that it must necessarily be given due consideration before removing or reducing the protection afforded it by existing tariff laws.

Very truly, yours,

JOSEPH W. JACKSON.

Mr. CURTIS. I ask to have printed in the RECORD an affidavit of the president of the United States Sugar and Land Company, who have a plant established at Garden City, Kans.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Kansas? The Chair hears none, and permission is granted.

The paper referred to is as follows:

STATE OF COLORADO, County of El Paso, ss:

I, Charles M. MacNeill, being first duly sworn according to law, on my oath depose and say that I am the president of the United States Sugar and Land Company; that said company is a corporation organized under the laws of the State of Colorado and is engaged in the business of manufacturing beet sugar; that the factory of said company is located at Garden City, in the State of Kansas; that the American Sugar Refining Company is not directly or indirectly interested in said the United States Sugar and Land Company either as a stockholder or otherwise; that said the United States Sugar and Land Company is wholly and entirely independent of the American Sugar Refining Company; that the directors of the United States Sugar and Land Company are all residents of the State of Colorado, and that practically all of the stock of the United States Sugar and Land Company is owned and held by citizens of Colorado, and that none of said stock, as affiant believes, is held or owned by any person connected directly or indirectly with the American Sugar Refining Company.

C. M. MACNEILL.

Subscribed and sworn to before me, Mary L. Richardson, this 17th day of May, 1909.

[SEAL.]

MARY L. RICHARDSON,
Notary Public.

My commission expires January 11, 1911.

Mr. ALDRICH. I ask that paragraph 213 be agreed to.

The VICE-PRESIDENT. Without objection, paragraph 213 is agreed to.

Mr. GORE. Mr. President, is that the sugar paragraph?

The VICE-PRESIDENT. That is the first sugar paragraph.

Mr. GORE. Does it include the duty of a dollar and ninety cents on refined sugar?

The VICE-PRESIDENT. It does.

Mr. GORE. I want to offer an amendment to that paragraph.

The VICE-PRESIDENT. The amendment proposed by the Senator from Oklahoma will be stated.

Mr. GORE. The amendment I propose is, on page 73, line 8, after the word "refining," to strike out all that follows down to the words "1 cent per pound," so that the proposed duty on refined sugar will be 1 cent per pound.

The VICE-PRESIDENT. The Secretary will state the amendment.

The SECRETARY. On page 73, line 8, after the word "refining," it is proposed to strike out "one cent and ninety one-hundredths of."

Mr. GORE. Only a word, Mr. President. I wish to say, first, that if the Senate, through any sudden burst of virtue or patriotism, should adopt this amendment, I should, of course, follow it with another motion to conform the duty on raw sugar and the differential to this reduction. I know that a great many Senators are devoted to the differential, and I should propose to harmonize the entire paragraph as between raw sugar and refined sugar.

The reason that I submit this motion is this: I know full well that it will not pass; I know that no motion to make a substantial reduction on sugar, or on any other necessary of life, can possibly prevail in this Senate; but I am unwilling for this schedule to be adopted without, at least, a motion being made to bring about such a substantial reduction. The motions for reductions hitherto proposed have not been substantial; and if they had been adopted, there would have been no material relief brought to the people and to the consumers of this country.

Mr. President, in my judgment, unless the people of this country can purchase the necessities of life cheaper after this measure has passed than they could purchase those necessities before this measure had passed, all our revision is in vain. The only object which anyone could have in revising the tariff is to reduce the price of necessary articles to the purchasers and to the people of this country.

Sir, what is the reduction proposed by the Senate and by the House? The present rate of duty on refined sugar is \$1.95 per hundred pounds. The House generously reduced that to \$1.90 per hundred pounds, and the Senate, sharing the generosity of the House, has proposed the same munificent reduction; so that, after this measure has been approved, the duty on refined sugar will be \$1.90 per hundred pounds instead of the onerous and burdensome duty of \$1.95 per hundred. What does that reduction mean? It means a reduction of one-twentieth of 1 cent a pound on refined sugar. In other words, when the laboring man

in this city has consumed 20 pounds of sugar he has saved 1 penny by virtue of this reduction, and is enabled to enjoy the luxury of one copy of the Washington Evening Times—and, by the way, I think he ought to purchase that paper and read about the iniquities of the sugar trust and how this Congress is laboring to alleviate his burden.

It means more than that; it means that when the washerwoman of this city has consumed 100 pounds of sugar she has saved the splendid sum of 5 cents—one nickel, one picayune—she has saved the price of a bar of soap; and she can read in these prices the generous help and assistance vouchsafed to her by the revision of the tariff!

Mr. President, it means more than that; it means that when the President of the United States has devoured his weight in sugar he has saved the price of a shave. [Laughter.] When the President consumes 300 pounds of sugar, sir, he has saved 15 cents.

That may be the meaning of the Republican platform when it promised tariff revision; that may have been the meaning of the President of the United States when he pledged himself to a revision downward; and that may be the purpose for which this Congress was convened in extraordinary session—to indulge in a penny for 20 pounds, a picayune for 100 pounds, 15 cents for 300 pounds of revision, and \$1 a ton. If that be the purpose, and if that be the object of this extraordinary session, then this Congress ought to be branded and it ought to go down in history bearing the title of Shakespeare's comedy, "Much Ado About Nothing."

Sir, I do not believe that the reduction proposed would materially reduce the revenues of this country; and if it should, we still have recourse to the income tax. We still have an opportunity to levy the burdens of this country upon the wealth of the rich instead of upon the wants of the poor. But the reduction itself would not of necessity reduce our revenues. Let us see. What is England's customs tariff upon sugar? On sugar not exceeding 76° polarization the duty is 20 cents per hundred pounds, ours 95 cents; on sugar exceeding 98° of polarization the English duty is 44 cents per hundred pounds, whereas our tariff is \$1.95 per hundred pounds. In other words, the American rate is more than four times the English rate; and yet, while England imports only three-fourths as much sugar as we import, with a tariff rate only one-fourth of ours, she raised \$33,000,000 in 1907, whereas we in the United States raised \$60,000,000 with a tariff rate four times the English rate.

So I insist that even with this reduction of rate there would not be a substantial reduction in the revenues of this country, and in order that we should not adjourn and allow it to be said that not even a motion was made to bring about a reduction that the people could feel, I have submitted this amendment.

The VICE-PRESIDENT. The question is on agreeing to the amendment submitted by the Senator from Oklahoma [Mr. GORE].

Mr. ALDRICH. I ask for a vote by yeas and nays on the amendment.

The yeas and nays were ordered.

Mr. BEVERIDGE. Let the amendment be stated, Mr. President.

The VICE-PRESIDENT. The Secretary will again state the amendment, on which the yeas and nays have been ordered.

The SECRETARY. On page 73, lines 8 and 9, strike out the words "one cent and ninety one-hundredths of," so that it will read:

Refining, 1 cent per pound.

The VICE-PRESIDENT. The Secretary will call the roll.

Mr. BACON. Mr. President—

The Secretary proceeded to call the roll, and Mr. ALDRICH responded to his name.

Mr. BACON. Mr. President, I addressed the Chair before the clerk called a name, and I shall again protest, and I wish to do it in the most emphatic manner, against the habit of the clerk in calling the first name on the roll when a Senator is on the floor; and if no other means will correct it, Mr. President, I shall ask that our business be suspended and that that matter be dealt with. It is the constant practice of the clerk to do that thing—I have called attention to it before—and it is an abuse of the position.

Mr. President, this is no slight matter.

The VICE-PRESIDENT. May the Chair make a statement, please?

Mr. BACON. Certainly.

The VICE-PRESIDENT. The Chair had already directed the clerk to call the roll. The Chair had not seen the Senator rise. As the Chair had directed the clerk, the Chair thinks he is more at fault than the clerk in this case.

Mr. BACON. Mr. President, it is a matter of constant grievance, and for that reason I speak earnestly about it. I wish to illustrate the way in which this practice on the part of the clerk can work hardship in the Senate. Of course the rule is that after there has been a response no other business is in order and nobody can be heard; but if a Senator is on the floor at the time, and the clerk knows the fact, it is his business to suspend, and not to call the first name on the roll until the Senator can say what he desires to say in addressing the Chair.

I will go further, Mr. President, and say that it is the duty of the clerk, when the Chair has submitted a matter to the Senate, to wait to see whether anybody desires to say anything before he calls the first name.

Mr. HALE. Mr. President—

The VICE-PRESIDENT. Does the Senator from Georgia yield to the Senator from Maine?

Mr. HALE. The Senator in that statement is investing the clerk with a power and a discretion where he has none whatever. It is not the business of the clerk to watch and see if a Senator is on the floor; the clerk has nothing whatever to do with recognition. If a Senator rising has not been seen by the Chair and has not been recognized by the Chair, and the Chair has given the direction to the clerk to proceed with the calling of the roll, there is but one thing that the clerk can do, and that is to call the first name on the roll. The Senator can not for a moment maintain his position that it is the business of the clerk to be looking about to see if a Senator rises. He has nothing whatever to do with that; and the Chair is entirely right that, if there is any fault in the case, it is with the Chair and not with the clerk. When the Chair directs the clerk to call the roll, there is no discretion whatever left in the clerk. If a dozen Senators rise, he has nothing to do with that, but is to carry out the edict, the direction, of the Chair. The Senator must see that he is entirely wrong when he says that the clerk should watch and not commence the roll call.

Mr. BACON. Mr. President, I have listened to the honorable Senator with great patience, although he interrupted me without asking my consent that he should do so. I have heard him through to the end, and now I propose to reply, if he will permit me, in my own time.

Mr. HALE. Mr. President—

The VICE-PRESIDENT. Does the Senator from Georgia yield to the Senator from Maine?

Mr. BACON. No; I will not at the present time.

Mr. HALE. Then, I can not get the floor, of course.

The VICE-PRESIDENT. The Senator from Georgia declines to yield.

Mr. BACON. I do, for the present.

Mr. President, I do not make any such contention as that which the Senator from Maine [Mr. HALE] suggests is the one I have made. I do not contend that it is the place of the clerk to watch; but I do contend that it is the place of the clerk, after he receives the direction from the Chair, at least to pause long enough for any Senator who desires to address the Chair to have an opportunity to do so.

As this matter comes up, I am going to make a practical application of it. I quite agree with the Senator from Maine that it is none of the clerk's business to be taking part in what may be the proceedings of the Senate other than that which strictly belongs to his office; but I say also, in this connection, it is not the place of the clerk to call a name with the view and with the purpose to cut off Senators. That is what I am talking about. The clerk is not there as the representative of a party or as the representative of any Senator on this floor. He is there to do his duty as an officer of the body, without regard to party or without regard to the wishes of particular Senators.

Mr. President, I did not know that I should ever say this; but, as the Senator challenges me, I will say that I have seen, and other Senators have seen, on this floor in the last session upon a memorable occasion, when that action of the clerk was taken advantage of to make it operate as a *clôture* in this Senate; and I have good authority—or, rather, I will not put it in that way, although I might do so, but I will say I have good reason to believe, and if my belief is challenged, I will endeavor to furnish the proof—that it was done with the knowledge of the fact that that was the intent and purpose. I refer to the occasion when the Senator from Wisconsin [Mr. LA FOLLETTE] had addressed the Chair at some length, and when the Senator from Missouri [Mr. STONE] was intending to address the Senate, and when the Senator from Oklahoma [Mr. GORE] had addressed the Senate, and before opportunity for anybody to be heard in addressing the Chair, the clerk hurriedly called the first name on the roll. The name of the Senator from Rhode Island is the first upon the list and, of course, he can

answer with promptitude. In that way *clôture* was then effected, and can be had in the Senate, when there is no intention on the part of the Senate, under its rules, that the roll call shall be used for any such purpose.

Mr. ALDRICH. Mr. President—

The VICE-PRESIDENT. Does the Senator from Georgia yield to the Senator from Rhode Island?

Mr. BACON. I do.

Mr. ALDRICH. I assume that it is my constitutional prerogative to answer to my name when it is called?

Mr. BACON. Exactly.

Mr. ALDRICH. And I intend to exercise that right, without suggestions to the contrary from anybody.

Mr. BACON. Yes, indeed; I have no doubt of that, and I intend to exercise my constitutional right to say that the Senator from Rhode Island and the clerk combined can not so conduct the business as to unduly cut off debate and effect a *clôture* which the rules of the Senate do not permit.

Mr. President, I have not told all I know about this thing, and I do not propose to do so unless urged to do so; but if the matter is pressed, I will tell what I know about it, and I will tell what I know about that particular instance.

Mr. STONE. Mr. President—

The VICE-PRESIDENT. Does the Senator from Georgia yield to the Senator from Missouri?

Mr. BACON. Yes.

Mr. STONE. I do not wish to press the Senator, but I would be delighted if he would do so.

Mr. BACON. No; I will not do it unless Senators on the other side press me. If they do so, I will. But, Mr. President, I will say another thing, that when I tell what I know about that, I will tell that it was not a matter which originated in that particular session, but that it had a precedent in a former Congress, that that precedent was recalled, and that particular device was then adopted purposely and intentionally to effect a *clôture* in the Senate by that means.

Mr. President, I had occasion to call attention to this matter two or three days ago. When the Chair puts a question, Senators on this floor have a right to be heard. Things are to be done in the Senate decently and in order, and not by any sleight-of-hand performance. I insist upon it that when the Chair puts a question to the Senate there should be opportunity for Senators to be heard. The presiding officer is rapid in speech—that is natural and proper, and I do not mean that as a criticism, but I am simply speaking of it as a fact—and if Senators can not when the Chair proposes to put a motion to the Senate spring to their feet with the utmost activity, even younger men than myself, without being cut off by the haste—the undue and indecent haste—of calling the roll and having a response made in order that Senators shall not be heard, then, indeed, the customs and practices and courtesies of the Senate are put not only at defiance, but put in jeopardy and in danger of absolute destruction and overthrow.

Mr. BRISTOW. Mr. President—

The VICE-PRESIDENT. If the Senator from Kansas will permit the Chair for one moment, the Chair desires to say that, in his construction of the rules of the Senate, it is the duty of the clerk to call the roll when the Chair orders it. The Chair did not on this occasion, and never will, intentionally order the clerk to call the roll for the purpose of cutting off any Senator. Certainly had the Chair seen the Senator from Georgia rise, he would not have directed the clerk to call the roll.

Mr. BACON. I am not speaking about myself in particular. I have had it in mind ever since that occurrence in a former Congress, and I have called attention to it before. It is proper, in the orderly conduct of the business of the Senate. We are not a crossroads debating society. We are presumed to be here in the exercise of a very high function, with very grave responsibilities, and things should be done in an orderly way; and it is not the office of the Secretary, or of the clerk acting in his place, immediately, before there is an opportunity for anybody to be heard, with a practice which has become almost uniform, by a hasty calling of the first name on the roll, absolutely to cut off the opportunity of Senators to be heard, and, in some instances, effect a *clôture*.

Mr. BEVERIDGE. There has been an amendment offered and reported to the Senate. I suppose, in one word, we may be informed of the effect of the proposed amendment.

Mr. ALDRICH. The effect of the amendment offered to the Senate is to reduce the duties on refined sugar from 1.90 to 1 cent.

Mr. BACON. On refined sugar.

Mr. ALDRICH. Yes; it reduces the duty one-half, approximately.

Mr. CLAY. I would suggest to the Senator from Oklahoma that to arrange his schedule simply by reducing the tariff on

refined sugar to 1 cent, without rearranging the duty on raw sugar, would hardly be satisfactory.

Mr. ALDRICH. The Senator from Oklahoma, as I understood him, stated that if this amendment was adopted, he would follow it up with another which would correspondingly reduce the duty upon raw sugar.

Mr. CLAY. I have an amendment that is now pending, providing:

Sugars, tank bottoms, sirup of cane juice, melada, concentrated melada, concrete and concentrated molasses, testing by the polariscope not above 75°, 50 cents per hundred pounds.

It is 75 cents per hundred pounds in the bill, according to my recollection.

And for every additional degree shown by the polariscope test, 2 cents per hundred pounds additional, and fractions of a degree in proportion. And on all sugar which has gone through a process of refining, \$1 per hundred pounds—

And so forth. In order to place refined sugar at 1 cent, it becomes necessary that a change be made on raw sugar, otherwise raw sugar would pay a higher duty on coming into this country than refined sugar would.

Mr. GORE. I will state to the Senator from Georgia that the purpose which I had in view in offering this amendment was merely to offer it as a test amendment; and if the Senate shall adopt it, I will then follow that up with a reduction of the rates on raw sugar, so that there will be a correspondence between them, on the principle now incorporated in the bill.

Mr. CLAY. I would suggest to the Senator that it would probably be better to have it all in one amendment.

Mr. GORE. I think it would be better; but the schedule is on the eve of being adopted without any amendment of this sort being submitted and voted on, and I shall be very glad, if the Senator from Georgia will offer his amendment, to withdraw mine.

Mr. CLAY. I would suggest to the Senator and the chairman of the committee that, in my judgment—I may be mistaken, and a majority of the Senate doubtless differ with me—if there is any schedule in this bill that ought to be considered by the Finance Committee, it is the sugar schedule; and I say this: That when you look at the fact that we are expecting to bring in 300,000 tons of raw sugar from the Philippine Islands, and when the refiners are expected to use that without any tariff duties, and when we are expecting to have an increase in the production of raw sugar in the Hawaiian Islands and Porto Rico, and when this revolution has taken place in regard to raw sugar in this country, to let the Dingley bill stand just as it was before, is, in my judgment, absolutely indefensible. I do not speak of it from a partisan standpoint, but I speak of it as one who desires to do right. To save my life I can not understand how you can let the tariff on refined sugar stay at \$1.90 and on 90° \$1.68½—

Mr. ALDRICH. Ninety-six degree sugar.

Mr. CLAY. That is correct, 96° sugar, \$1.68½ per hundred pounds. We knew that, when the Dingley bill was framed, nearly 90 per cent of the raw sugar that came into this country was paying a duty of \$1.68½ a hundred; and no man can ever convince me that a refiner will not make more money on raw sugar when it comes in free than when he pays \$1.68½ per hundred pounds duty upon it. Suppose to-day all of the sugar that we consume came into this country free and no tariff duty whatever was paid. Then the refiners would save \$1.68½ on every 100 pounds. For the refiners to get their raw sugar free, and then be able to sell the refined sugar at the same price they sold it at when they were paying a duty of \$1.68½, is, in my judgment, absolutely indefensible.

I maintain that a reduction on refined sugar and raw sugar, so as to keep them practically together, will not injure the beet-growers or the cane growers either. You simply reduce your duties to meet conditions that have confronted you in the last few years. I do not apprehend that Mr. Dingley would ever have thought of a tariff of \$1.90 on refined sugar and \$1.68½ on raw sugar had he contemplated the conditions which exist at the present time. And when we get 300,000 tons of sugar free from the Philippine Islands, I want to say to you that there will then be no sugar imported into this country paying the full duty of \$1.68½ per hundred pounds.

Mr. President, it has been a rule of my life never to repeat. I have stated fully and earnestly how I feel about this matter. I feel that we are granting favors to the most unconscionable trust that ever existed in the United States; a band of thieves, swindling and defrauding the Government and robbing the American people, and I retract nothing that I have said; for I know, from the investigation which I have made, that the trust will get the benefit of this free raw sugar unless you make a reduction in the duty on your refined sugar.

The VICE-PRESIDENT. The question is on the amendment of the Senator from Oklahoma.

Mr. GORE. Mr. President, I trust the Senator from Georgia will agree that I may withdraw this amendment and that he substitute his, because I realize that it is better to have the entire matter voted on at one time. My amendment was offered on the spur of the moment, without opportunity to arrange and revise the entire schedule, and merely to prevent the paragraph being adopted without at least an effort or a motion being made to amend it as it ought to be amended. If the Senator intends now or will agree that hereafter his amendment shall be proposed and voted upon, I will withdraw mine.

Mr. CLAY. I expected to discuss this amendment at length, for an hour, at least, pointing out why it should be adopted; but for the last few days I have not been in physical condition to discuss it. I have expected to offer this amendment in the Senate, and to press it vigorously when the matter comes up.

Mr. CULBERSON. Mr. President—

The VICE-PRESIDENT. Does the Senator from Georgia yield to the Senator from Texas?

Mr. CLAY. I do.

Mr. CULBERSON. I understood the Senator from Rhode Island [Mr. ALDRICH] to ask that paragraph 213 be passed.

Mr. ALDRICH. I did not. I asked that it be agreed to, and that is what the motion will be when this amendment is disposed of.

Mr. CULBERSON. Is it agreeable to the Senator from Georgia to present his amendment—

Mr. CLAY. I will present my amendment now.

Mr. ALDRICH. This paragraph, if agreed to in Committee of the Whole, will be open to amendment in the Senate.

Mr. CULBERSON. I understand that, of course.

Mr. CLAY. I will offer my amendment now, and get through with it.

Mr. GORE. I will withdraw my amendment. I merely wanted to register a protest.

The VICE-PRESIDENT. The Senator from Oklahoma asks unanimous consent to withdraw his amendment, and to annul the order for the yeas and nays. Is there objection? The Chair hears none. The Senator from Georgia [Mr. CLAY] now offers an amendment, which the Secretary will report.

The SECRETARY. Strike out paragraph 213 and insert the following, to be known as "paragraph 213," in lieu thereof:

Sugars, tank bottoms, sirup of cane juice, melada, concentrated melada, concrete and concentrated molasses testing by the polariscope not above 75°, 50 cents per hundred pounds, and for every additional degree shown by the polariscope test 2 cents per hundred pounds additional, and fractions of a degree in proportion. And on all sugar which has gone through a process of refining, \$1 per hundred pounds; molasses testing not above 40°, 20 per cent ad valorem; testing above 40° and not above 56°, 3 cents per gallon; testing above 56°, 6 cents per gallon. Sugar drainings and sugar sweepings shall be subject to duty as molasses or sugar, as the case may be, according to polariscopic test.

Mr. CLAY. Mr. President, just a word. That amendment includes an amendment which we have already voted on—that is, to strike out the No. 16 Dutch standard. It also provides that 75° sugar, instead of paying a duty of 95 cents per hundred pounds, shall pay 50 cents; and it goes on up, increasing it 2 cents per hundred pounds until it reaches 100° sugar. It makes the duty on refined sugar \$1, and no differential whatever between raw and refined sugar, as provided by the amendment which we voted on the other day. Consequently two features of this amendment have been voted on already.

The principal feature left to be voted on is the question whether or not there shall be a reduction in the duty on raw and refined sugar.

Mr. BRISTOW. In discussing the sugar schedule I have offered all the arguments that were at my command in behalf of eliminating the provision relating to the Dutch standard, because I think it is one of the most infamous provisions that was ever incorporated into a legislative act. It now serves the purposes and adds enormous profits of a corporation that is plundering the American public; and I am in absolute accord with the denunciation that the Senator from Georgia has made of that corporation.

However, the reducing of the duty on raw and refined sugar in the amount suggested by the amendment of the Senator from Georgia would, in my opinion, wreck a great many beet-sugar factories that have been established under the present law. We have been levying a duty of \$1.95 per hundred pounds on refined sugar, which is the kind of sugar that beet-sugar factories make. If by one act we reduce that duty from \$1.95 to \$1, we thereby jeopardize the investments that have been made in these enterprises under this high duty, and it seems to me that would be bad faith on the part of the Government. I think a slight reduction could be made, as I indicated yester-

day, without any injury to the legitimate profits of these enterprises that have been established by virtue of this invitation extended to capital by the Government twelve years ago.

So, sympathizing with the Senator from Georgia in his efforts to correct the evils of this legislation, I can not go with him as far as he has suggested by this amendment in reducing duties, because I believe it would be injurious to the factories that have been established by the invitation extended by the Government under the high duties that are now imposed; and I feel that I should make this statement before the roll is called.

Mr. ALDRICH. I ask that the vote be taken by yeas and nays.

Mr. CLAY. One minute. I think I can demonstrate that this amendment will not interfere with or injure the beet growers or the cane growers. This morning I am not feeling well enough to go on and make a speech. Neither did I yesterday. Consequently I will withdraw the amendment and introduce it when the bill goes in to the Senate, when I can discuss it at length and present the reasons, convincing to me, why it ought to be adopted.

Mr. BACON. If my colleague will permit me—

The VICE-PRESIDENT. Will the Senator from Georgia yield to his colleague?

Mr. CLAY. With pleasure.

Mr. BACON. I wish to suggest that that is not the best direction to be given to this matter. When the bill goes through the Committee of the Whole, after long and tedious debate, there is going to be very little disposition on the part of the Senate to give careful consideration to anything that is left over. Now is the time to do it. The Senator from Rhode Island has repeatedly, for particular reasons, passed over different paragraphs when they were in order to be voted upon. It seems to me the reason suggested by my colleague is a sufficient one why a vote should not be taken upon this matter and why he should have an opportunity to address the Senate upon it.

Mr. ALDRICH. The paragraph will be absolutely open to amendment in the Senate.

Mr. BACON. I understand.

Mr. ALDRICH. And the action of the Senate in agreeing to it now will not cut off the Senator from Georgia from any of his rights.

Mr. BACON. Nobody disputes or doubts that.

Mr. ALDRICH. If the Senator from Georgia expects that his speech will change the opinion of the Senate, that is one thing; but I think—

Mr. CLAY. I hardly think it will change the opinion of the Senate, unless I can get your consent.

Mr. ALDRICH. The Senator will not get my consent to reduce the duties upon sugar to 1 cent; that is perfectly certain. And whether the vote is taken now or in the Senate will make no difference in the result, in my judgment.

Mr. CLAY. I think it but just to myself and to my friends, who have asked me to explain this at length—I mean for at least thirty or forty minutes—that I should say that this morning I am not feeling well enough to explain it. In fact, I would not undertake it. For that reason, if the Senator wants to go on with the schedule, I will withdraw the amendment and offer it when the bill gets into the Senate, and press it.

Mr. ALDRICH. That is satisfactory to me. I ask that the paragraph be agreed to.

The VICE-PRESIDENT. Without objection, the paragraph is agreed to.

Mr. DANIEL. I ask unanimous consent of the Senate that the paragraph be passed over until to-morrow, when the Senator from Georgia says he will be ready to speak.

The VICE-PRESIDENT. The Senator from Virginia asks that the paragraph be passed until to-morrow. Is there objection?

Mr. ALDRICH. Of course, if the Senator desires that, I can not resist it.

Mr. CLAY. I intended to speak yesterday. I thought I would finish my remarks to-day. I can not promise to submit my remarks to-morrow. I have been advised by my physician not to do so. It will probably be several days before I will be ready.

Mr. ALDRICH. If the paragraph is agreed to, whenever the Senator from Georgia is ready to offer his amendment, I will ask that it be reconsidered for that purpose.

Mr. DANIEL. All right.

The VICE-PRESIDENT. Without objection, the paragraph is agreed to.

Mr. BACON. I do not desire that it shall be disposed of in that way. I do not ask for the yeas and nays, but I ask that the question on agreeing to the paragraph be put to the Senate.

The VICE-PRESIDENT. The question is on agreeing to the paragraph.

The paragraph was agreed to.

The VICE-PRESIDENT. The Secretary will state the next paragraph passed over.

The SECRETARY. Paragraph 214:

Maple sugar and maple sirup, 4 cents per pound.

The VICE-PRESIDENT. Is there objection to the paragraph? The Chair hears none, and it is agreed to.

The SECRETARY. Paragraph 215—saccharine.

The VICE-PRESIDENT. Is there objection to agreeing to the paragraph? The committee amendment was agreed to when the bill was first read.

Mr. BACON. Mr. President, there are possibly many paragraphs where that form of the adoption of a paragraph would not be objectionable to anyone, but there are others where Senators do not wish to be understood as agreeing to them. Therefore I think, although I dislike very much to put the Chair to the extra trouble, that upon the sugar schedule at least it should not be put in that form.

The VICE-PRESIDENT. The Chair will comply with the suggestion of the Senator from Georgia and put the question.

Mr. STONE. Mr. President, I do not rise to discuss the sugar schedule, now under consideration, or to discuss any other particular schedule, but to make some general observations.

While it may be well enough to protract debate on the schedules of this bill for a while longer, we know it will not eventuate in any practical legislative result. Its only effect will be to let the country know what is being done and how it is done in the Senate, and that will doubtless serve a good purpose; but we know now almost as well as we will know at the end just what the result will be. For all practical legislative purposes we might as well vote on the bill and all amendments now as a month later.

Mr. President, evidently, as I think, we have reached a point in the consideration of this bill where it has been demonstrated that opposition to the will of the Finance Committee is futile. I do not adopt the usual formula and say that the Senator from Rhode Island [Mr. ALDRICH] is master of the situation, but I do say that the Finance Committee, under his leadership, is master of the situation.

Mr. DANIEL. You mean the Republican members.

Mr. STONE. The Senator from Virginia amends the suggestion, to which I agree, that the Republican members of the committee are masters of the situation. In stating the case in that form I do not mean to detract from the well-recognized influence or from the acknowledged Republican leadership of the Senator from Rhode Island, but I adopt that form of statement because I deem it more courteous and respectful to all the members of the committee, each of whom represents a strong individual force, and because I believe that that form of statement will be more agreeable, even to the Senator from Rhode Island himself. The Finance Committee is in the saddle. We had as well recognize that now as later. Hereafter, if we have any suggestions to make looking to a change in any provision of the bill, if we approach the committee through its chairman—that most noble tribune of the people—and approach him after the fashion of old Deucalion, humbly casting the stones behind, it may be we will be distinguished by a hearing, but not otherwise.

Mr. President, when the consideration of this bill was first begun, and for some days before, there were some on this side so optimistic as to hope that there were enough Republican Senators opposed to the inequalities and the iniquities of the present tariff law to bring about a revision that would in some measure respond to the popular demand, but the occurrences since then, and especially of the last few days, have surely been sufficient to dissipate that hope in the breast of the most credulous. There was really and in fact an ominous reform thundering in the index—a preliminary roar that had in it a half-inspiring note of promise—but the threatened storm has long since spent its force. The light of victory already shines like a halo around the omnipotent heads of the big chief and his associates of the Finance Committee. Well might they cry in joyous acclaim:

Now is the winter of our discontent
Made glorious summer by this sun of York;
And all the clouds that lower'd upon our house,
In the deep bosom of the ocean buried.
Now are our brows bound with victorious wreaths;
Our bruised arms hung up for monuments;
Our stern alarums chang'd to merry meetings,
Our dreadful marches to delightful measures.
Grim-visag'd war hath smooth'd his wrinkled front;
And now, instead of mounting barbed steeds,
To fright the souls of fearful adversaries—

Though we may not as yet caper nimbly along a primrose path, we can at least plod along with firm, confident, and ever quickening step to a victorious culmination.

True, a tremulous Republican voice is still heard now and then in protest, but it no longer bears the note of triumph or of defiance. It has now more the sad semblance of wailing—timid, apologetic, discordant, and, altogether, not without pathos. It is a pitiable ending of a somewhat pompous beginning.

Mr. President, I am not disappointed. I am not disappointed because I have never believed that it was possible to secure a substantial, much less a general, reduction of tariff rates through the agency of this Congress. There was a great blowing of horns and there were many Republican tariff-reform banners afloat during the campaign of last year, but experience and intuition alike convinced me that all of it was but the seductive and deceptive pageantry of a confidence game. True, there was throughout the country a wide demand for a real revision of the tariff, for lower taxation, and for a substantial retrenchment of expenditures. Mr. Roosevelt favored a tariff revision with a general lowering of the rates. So did Mr. Taft. At least so declared both these official heads of the Grand Old Party. But Roosevelt is now far distant in Africa, performing murderous feats without parallel. He no longer counts for much, politically. He is only a memory and hardly worth a quotation. But Taft is a living potentiality. He is still here, and his hand is on the helm. His utterances should be worth remembering. I have several of his sayings here—things said by him during the campaign of last year, but I will quote from only two or three.

QUOTES TAFT.

In his speech of acceptance, delivered at Cincinnati, July 28, 1908, Mr. Taft said:

In 1897 the Dingley tariff bill was passed, under which we have had, as already said, a period of enormous prosperity. The consequent material development has greatly changed the conditions under which many articles described by the schedules of the tariff are now produced. The tariff in a number of schedules exceeds the difference between the cost of production of such articles abroad and at home, including a reasonable profit of the American producer. The excess over that difference serves no useful purpose, but offers a temptation to those who would monopolize the production and the sale of such articles in this country to profit by the excessive rate. On the other hand, there are some few other schedules in which the tariff is not sufficiently high to give the measure of protection which they should receive upon Republican principles, and as to these the tariff should be increased.

Mark you, in this first utterance he said there were "a few," only a few, schedules which should be raised; the others, of course, were to be reduced.

Again, in a speech at St. Paul, on September 26, he said:

Now, we are going to revise the tariff, too, but it is going to be a thorough revision, an honest one; a revision in accordance with the protective system, which requires that every industry in the country which needs it shall have a tariff measured by the difference in the cost of production here and the cost of production in the countries abroad.

In the making up of that tariff both interests ought to be heard, and will be heard, because the people insist upon it and the crystallized sentiment of the Republican party is in favor of it, both to protect the industries and the consumer. But Mr. Bryan says we can't get over the influence of the protected interests. Hasn't the Republican party risen above corporate influence before? It is entirely right that the protected interests should come in and be heard, and see to it that their property and business is not destroyed.

But, of course, they are interested parties, and what they say must be weighed with other evidence. The Republican party will not pass a tariff bill that will destroy a single industry in this country, but, on the other hand, it does insist that excessive rates shall not continue.

Now, the rates generally, or most of them, are too high. Some are not high enough, according to that standard. The revision, therefore, will probably be downward; but whatever it is, I am here to plight the faith of the Republican party, in accordance with its platform, that the revision will be honest and exact according to the measure stated in the platform.

Again, at Sioux City, on September 29, he said:

I am interrogated as to whether the tariff should be revised up or down. My own impression is, without being familiar with the schedules as an expert, that in most cases the operation of the protective system has been normal, the cost of production has been reduced, and that therefore the revision with respect to those schedules should be downward. There are a few—pottery is one—of which no such change has taken place. Indeed, the change has been the other way, and in that respect, probably, the tariff should be raised.

I will make one other quotation. This is from Mr. Taft's speech at Topeka, on October 3:

The principle of protection is that all industries that need it shall be protected by a customs tax equal to the difference between the cost of production here and the cost of production abroad.

Mark the expression. He does not say the difference in daily wage, but the difference in the cost of production here and the cost of production abroad.

That cost of production is determined by three elements—the cost of material, the cost of labor, and the interest on capital, or what is known as the "manufacturer's profit."

The normal operation of protection where competition has free scope is to lower the cost of producing, and so to reduce prices to the public. As a consequence, after ten years' operation of a particular schedule it

ought to result that the cost of production in this country is made less, and therefore that the difference between the cost of production in this country and abroad is less, and therefore that the duty ought to be reduced.

If I am elected, as I expect, I shall exercise all the legitimate influence that the President or head of the Republican party can see to it that the plighted faith of the party on this subject, in letter and in spirit, is observed.

Numerous additional quotations of like import could be furnished, but this suffices to outline the campaign attitude of Mr. Taft. These utterances might well be criticised as being at times somewhat ambiguous and not altogether ingenuous, but let it be remembered that the orator was the candidate of the Republican party, full of a high ambition to become the President of the United States. As the candidate of his party, and having an intelligent conception of public sentiment and of the difficulties of his position, we can well understand how he sought to practice the difficult art, not of dissimulation, but of not offending, even though he might fail to please. Upon the one hand were the protected interests—grown opulent through the favor of the Government, and exacting because of opulence—which for decades had been the dominant and governing force of his party; and upon the other hand was still a mightier force—mightier in numbers if not in effectiveness—which was not in accord with the other element. The one clamored for a tax rate so high that monopoly might stand erect under itsegis, while the other, those who footed the bills, demanded that the tax burden should be lighter made. The candidate therefore was between the flame of the sulphurous lake and the raging of the wild sea. Under the circumstances, we may look with leniency upon his failure to speak out with absolute straightforwardness. Nevertheless, the patent truth remains that the people who heard the President's ante-election speeches believed, and had a right to believe, that he stood for lower rates in the tariff schedules; in other words, for a substantial revision downward. Every fair-minded man knows and must admit that that was the judgment of the country, and the country believed that Mr. Taft was not only speaking for himself, but was also speaking with authority for his party.

If any there be who think I misinterpret the President, then I ask why, in the light of these quoted utterances, did he call this extraordinary session of Congress? This question has been asked more than once, but it bears repeating. In the light of his declaration when he accepted the Chicago nomination, and in the light of his later deliverances—and believing, as we all do, that Mr. Taft is a sincere and upright man—it can not be believed that he assembled this Congress with the idea of having tariff rates increased or to have the rates of the Dingley law practically reenacted. The one would have been an act of bad faith with the American electorate, and the other would have been an act of consummate and costly stupidity. I have no doubt that the President honestly desires to keep faith with the people who elected him, and that he desires, therefore, to see the law revised so as to secure a substantial downward scaling of the rates. But Mr. Bryan was right when he declared in the campaign that even if Mr. Taft desired a reduction of tax rates he would, if elected, be powerless to execute his purpose.

Mr. President, that is so because the Republican party is in the control and under the domination of favored interests—interests which are protected by law and which, under the operation of law, are enabled to extort from the great masses of the people. These interests are represented in compact, intelligent, and powerful organizations; they print and distribute, year after year, enormous quantities of literature containing arguments, plausibly and most persuasively presented, in advocacy of that policy which is the bulwark of their opportunities, and in the hour of political and party contest they supply the shining sinews of war. Upon these sheltered interests depends the hope of the Republican party; they constitute its chief reliance. The public men who dominate that party, and those who have dominated it for years, are so closely aligned with these interests, and are under such political obligations to them, that they dare not falter in their service; and so, Mr. President, I have believed with Mr. Bryan that no one Republican, even though he be the President, could swerve his party from the old, beaten path blazed out by the industrial monopolies upon which that party leans with greatest confidence; and I doubt if there ever was or will be a Republican President who will strive with earnestness and persistent effort to lead his party on a different line.

REPUBLICAN POLICY.

Mr. President, the Republican platform of last year, proclaimed at Chicago, declared that—

The true principle of protection is best maintained by the imposing of such duties as will equal the difference between the cost of production at home and abroad, together with a reasonable profit to American industries.

That was the official declaration of the entire Republican party, formally expressed by a national convention. Upon that platform Mr. Taft was nominated and made his race for the Presidency. Reverting to his Topeka speech, from which I have quoted, it will be seen that he accepted that declaration as expressive of the Republican policy. He declared that—

All industries that need protection shall be protected by a tax equal to the difference between the cost of production here and abroad.

What did he mean when he said—

All industries that need protection shall be protected—

And so forth?

Have we, indeed, some industries that do not need protection? What industries are they, and what did the presidential candidate have in mind? In the earlier days the advocates of the protective policy contended that that policy was necessary to protect our new, struggling, undeveloped infant industries against the sharp competition of the older, better-developed, richer, and more powerful competing industries in other countries. We were told then that when, under the shelter of this policy, our manufacturing industries were firmly established, and had become rich enough and strong enough to hold their own in the markets of the world, there would no longer exist the need of imposing duties for protection, but that the duties would be levied for revenue. It is a matter of common knowledge that the American industries have now grown until this has become the greatest manufacturing nation of the earth, and that here in America we have the most opulent and powerful manufacturing corporations in the world. There are none others anywhere that can rival them in this respect. Are these the industries that Mr. Taft had in mind as those that did not need protection?

But, Mr. President, of course we know that the Republican party has long since abandoned the earlier contention to which I have referred, and they have abandoned it because the growth and power and wealth of American industries have become such that the old contention could be no longer made. They have shifted the position and have predicated their contentions upon the ground that labor was higher in the United States than in other countries, and that tariff duties ought to be levied to cover that difference; partly, as they say, to protect the American workman against the competition of cheaper-paid workmen abroad; and partly to protect the manufacturer who employs this higher-priced labor. The platform and the President declare that duties should be imposed to cover the difference in the cost of production between this and other countries. The President explains all that himself. He said: "That cost of production is determined by three elements, the cost of material, the cost of labor, and the interest on capital, or what is known as 'the manufacturer's profit.'" There are three elements, therefore, so we are told, which are to be considered in determining the difference in the cost of production when a tariff law is to be enacted. One of these elements—namely, material—may be eliminated, for the reason that in the purchase of raw materials for manufacturing the different great manufacturing and commercial nations of the world stand upon a footing of substantial equality. There is no need, in most cases at least, of putting that element into the calculation.

LABOR COST.

Now, Mr. President, a word or two about the labor cost of production. What does that mean? It does not mean by universal consent; it does not mean that in determining the difference in the labor cost of production between two or more countries we are to take the daily or weekly wage paid in the different countries to the respective workmen engaged in the same lines of employment and make that the basis of the calculation. That would not do, because it is a matter of general knowledge that the per cent of difference in the daily wage paid in different countries may be much greater than the per cent of difference in the labor cost of production. For example, if we should find that American workmen in a given industry received 40 per cent more for a day's work than a like workman in some other country, we might, on pressing the inquiry to a conclusion, find that the difference in the labor cost to the employer in producing his wares was not more than half as much as the difference in the daily wage. The correct way to determine this question is to take a given article of commerce and find out just what it cost the manufacturer to produce it. We then find that his raw material had cost a certain amount; that he had paid his laborers a certain amount to make that article; that he had paid so much for fuel, and so on and so forth. Now, reckoning on that basis, we could find out how much the American employer paid for the labor that entered into the manufacture of the given product and how much the foreign employer had paid for the labor entering into his production, and

that difference would represent the cost of production. Undoubtedly the actual daily or weekly wage paid to American mechanics is, generally speaking, higher than in other countries. It may be truthfully asserted that the American standard of daily wages is the highest in the world; but, on the other hand, it is also true that the difference in the labor cost of production in America is, generally speaking, nothing like as great as the difference in actual daily wage. This is so because our industries are better organized, better equipped, better managed, and because the American workmen, as a rule, are more intelligent, industrious, and skillful. The American manufacturer gets a better result in every way from his higher-paid employees than the European manufacturer gets from his lower-paid employees. This absolute economic fact is well known and generally recognized. I could burden the RECORD with proofs of this statement—proofs coming from the lips and pens of numerous men who are best qualified to speak, some speaking officially after investigation and some speaking from actual and wide experience. I will content myself with one witness. I will introduce Mr. Schwab, who was educated and fitted for his remarkable career by Andrew Carnegie. He was a workman in the Carnegie mill, and rose step by step from that position to become the head of the great Carnegie establishment at Pittsburgh. Subsequently he was the president of the United States Steel Corporation, known as the "steel trust." From that office he retired to take charge of the Bethlehem Steel Works. He is more or less interested in and associated with these great industries, as he is with other great enterprises. I read the following from a recent utterance of Mr. Schwab:

I have been in contact with labor of all kinds for years, and I know what it can do. I know that American laborers can produce more steel in a given time than any other workmen in the world. I know that they can put out better steel than any others.

We can compete with any other country. We have nothing to fear by a cut in tariff, because we have the best goods. It is true that we have to pay our workmen most; you always have to pay the most skillful workmen the highest wages.

The Americans are the best workmen on earth. The highest paid labor is the cheapest to the employer. The man that understands his work thoroughly and executes it without mistakes is the man that makes money for his employer.

The man that is employed at a cheap wage and goes slowly and makes blunders produces cheaper steel or any other goods and can not compete with the man that thoroughly understands his business and produces good material.

Now, Mr. President, if upon investigation it should be found that the actual difference in the labor cost of a given product between the American employer and the European employer was, for instance, 20 per cent or 30 per cent, and this Congress should levy a tax upon that product of 40 per cent or 50 per cent or 60 per cent, for whose benefit would that excess be imposed? Not for the benefit of the workman, to be sure, for only so much of the duty would be levied for his benefit as represented the difference in the labor cost of production. That is the theory of the Republican platform itself and of President Taft. It would not result in increasing the wage of the workman, and, therefore, he would not share in this bounteous excess. Manifestly this excess of duty over and above the difference in the labor cost of production would be levied wholly in the interest of the manufacturer and employer. And that sort of thing is now being justified by the Finance Committee of the Senate and those cooperating with them. Day after day we are considering paragraphs in different schedules reported here by the Finance Committee, and which are being adopted which impose tariff burdens far in excess of the difference in labor cost sometimes as much as two or three or four times as great as that difference. For the first time in our history the Republican party made the bold declaration in the Chicago platform that duties should be levied among other things to insure a profit to the manufacturer, but before I enter upon that, which I intend to do briefly, there is one other thing to which I wish to call attention.

THE GERMAN WAGE.

Mr. President, day after day, as these paragraphs are considered, members of the Finance Committee and others upon that side attempt to muddy the water and obscure the real issue about the enormous difference in the amount of daily wage paid in this country and Europe. As I have already shown, that is only a question of secondary and minor importance, the real question being the difference in the cost of production; but Senators who stand for these exorbitant duties endeavor by artifice and maneuvering to keep the real question in the background. They are not willing to test the issue between us even according to the standard laid down in their platform and by Mr. Taft himself. Nor is that all. They come in here and assert that the difference between the American and European wage is greater than it is. They take the floor and solemnly read bald assertions, made by the swarm of man-

manufacturers who appeared here before the Ways and Means Committee and the Finance Committee to secure higher rates of duty on their respective products, statements in which they undertake to give the daily wage paid here and that paid by their foreign competitors. We are asked to accept this testimony, often ex parte, as trustworthy and true. We have had numerous disputes here as to the accuracy of these statements made by these interested men. Mr. President, I do not like to speak with unkindness, much less with offense, of the Finance Committee, but regarding this matter of which I am speaking I fear the committee has not dealt fairly with the Senate. I will not say that the committee has suppressed information in its possession, but that they have withheld information to which the Senate was entitled and which it ought to have had. As illustrative of this disposition on the part of the committee, I call attention to a circumstance which in a pointed way attracted the attention of the Senate a few days ago. It was during the debate on the cutlery schedule, and particularly that paragraph in the schedule relating to the duty on razors, which duty the Finance Committee in the bill reported has raised almost 100 per cent above the present Dingley law.

The Senator from Utah [Mr. Smoot], who seems to be the chief lieutenant of the chairman of the Finance Committee, and who is eminently worthy of the post, is often put forward in the front of the fight. If the Senator from Rhode Island is the head, the Senator from Utah is the right arm of the committee. He told us repeatedly, in the presence of the chairman and other members of the committee, and, therefore, I assume, with their approval, that the wages paid American workmen employed in the manufacture of razors were three times as much as those paid to their competitors engaged in the same employment in Germany.

It so happened that during the course of this debate I was called to the corridor just back of the Chair by a gentleman who was familiar with the subject and who had been engaged as one of the experts, as I understood him, in the service of the Finance Committee when this bill was being considered by the committee. He told me that there was on file in the State Department a report made by the German Government to our State Department, duly transmitted through diplomatic channels, as to the amount of wages paid in Germany in various lines of industry, and among them this particular one of manufacturing razors, and he gave me some tables of wages paid in Germany as shown in this report which had been transmitted, as I have said, by the German Government to the Government of the United States. I put the matter he gave me in the RECORD on that day, and called particular attention to it. I do not know how many Senators have read that statement. If there be any who have not they can find in it most interesting and instructive matter relating to several things. The Senator from Utah and his colleagues of the committee told us that the American wage in razor making was three times that of the German wage in the same business. Mr. President, I desire to insert at this point, or rather to reinsert, for it already appears in the RECORD, the table relating to German wages in razor manufacturing, as it was supplied by the German Government itself authoritatively and officially. The Senator from Utah said the wage rate paid in this country was three times that paid in Germany, while this report shows that the German workmen receive twice as much as the Senator from Utah asserted they were receiving.

Mr. GORE. I should like to ask the Senator from Missouri if he knows whether or not the report of the German Government, to which he refers, had been called to the attention of any member of the Committee on Finance?

Mr. STONE. I will speak of that in a moment. Mr. President, the table which I desire to insert in my remarks is as follows:

	Actual earnings.		Incorrect statement as submitted in the tariff hearings.
	Marks.	Dollars.	
Schmiede (forgers).....	35 to 45	8.33 to 10.71	4.30 to 7.00
Haerter (hardeners).....	42 to 48	10.00 to 11.43	4.30 to 6.00
Dry grinders.....			4.30 to 5.70
Schleifer concavers (polishers).....	65 to 75	15.47 to 17.85	4.30 to 9.00
Reider (handle makers).....	40 to 44	9.52 to 10.47	4.30 to 5.00
Abzieher (honers).....	40 to 45	9.52 to 10.71	2.50 to 6.00

It will be observed that the table shows the amount actually paid in marks and in dollars, as reported by the German Government, and in a parallel column it shows what the

American manufacturers who came here asking higher duties told the committee the German workmen were receiving. The committee told us what the manufacturers told them, but they did not tell us what the German Government had said about it. This latter I happened to discover in the nick of time, almost by accident.

Now I will answer the question of the Senator from Oklahoma [Mr. GORE]. I assert on reliable information—if I am wrong, of course I desire to be corrected—but I assert that this report of the German Government relating to wages in numerous industries was in the hands and possession of the Finance Committee long before this question was raised here in the Senate and before the committee reported the bill. They knew about it; the State Department had furnished them with this information; they had it in their possession; and yet, when we were discussing this question and trying to get at the facts, the real facts, not a word was said about this report. The Senator from Utah stated that he had an affidavit made by some workman in a New York establishment—I believe it was in New York—to the effect that he had come from Germany to the United States; that he had worked in the industry there and here; and that he knew that the German wage was only about one-third of the American wage. I do not know the name of that affiant. It was not given. I do not know who furnished the committee with the affidavit, although I could easily imagine. I do not suppose that that workman came down here, certainly not at his own expense, to confer with the Republican members of the Finance Committee. But his employers were here. Who is this man? How was this affidavit procured? Who induced him to make it? Was it purely voluntary, or was it upon suggestion?

This shows, Mr. President, how utterly unreliable is testimony given in that way—ex parte testimony, without an opportunity afforded to the Democratic members of the committee or to anyone to cross-examine the witness in order to ascertain the absolute truth; and it shows, also, how utterly foolish it is for us to accept and act upon statements made to us by interested parties concerning questions of this character. And yet we were asked to accept this very kind of testimony, to believe it, and to act upon it, when at that moment the committee had in their possession this official and authoritative report, showing a very different state of facts.

Mr. President, the committee is the creature, the agent, the servant of the Senate, and I would like to know why the Senator from Utah, or some other Senator of this committee, did not tell us about this? Why were we left to discover it almost by accident? After I had called attention to the matter, the Senator from Wisconsin [Mr. LA FOLLETTE], a day or two later, after conferring with me, introduced a resolution, which has been agreed to, asking the State Department or the President to furnish this report to the Senate. It has not yet been furnished; but, Mr. President, what was the need—

Mr. LA FOLLETTE. Mr. President—

Mr. STONE. Just a moment. What was the need of calling upon the State Department to send that information here when it was already in the hands of the Finance Committee? Why does not that committee—an organized agency of the Senate—furnish it itself? Now I yield to the Senator from Wisconsin.

Mr. LA FOLLETTE. I will say, Mr. President, for the information of the Senator from Missouri, that I am advised by the State Department that that document will be transmitted to the Senate to-day. I hope it will be in print and in the hands of Senators within another day.

Mr. STONE. Mr. President, that the table I have just put into the RECORD is correct is evidenced by a letter, which I hold in my hand, from the State Department. In reply to an inquiry I made of the department as to whether it was correct, the Acting Secretary, Mr. Wilson, on May 19, wrote me as follows:

In reply, I have the honor to inform you that a comparison of the statistics in the table printed on page 2149 of the CONGRESSIONAL RECORD for May 18, 1909 (which is evidently the table to which you refer), with the department's file copy of the original statement by the German Government relative to wages paid in Germany to workmen engaged in the manufacture of razors, shows no discrepancies.

Mr. President, I have taken time and pains to press this matter upon the attention of the Senate, and, as far as I can, upon the attention of the country, because it illustrates, first, that the Finance Committee is not dealing candidly with the Senate, and, secondly, that the "testimony" the committee offers on the wage question is under a cloud and is subject to revision.

Mr. President, I turn now to another phase of this discussion—

Mr. CULBERSON. Before the Senator passes from this question of fact, I ask him if he means to say substantially

that members of the Finance Committee presented affidavits as to the difference between the wages in Germany and in the United States which were contradictory to the official information from the German Government which was then in the hands of the committee?

Mr. STONE. Mr. President, the members of the Finance Committee did not, nor did any member of that committee, so far as I recall, actually present an affidavit; but the Senator from Utah stated that he had such an affidavit or affidavits.

Mr. SMOOT. Will the Senator object if, at this point in the discussion, I put in the affidavits? I have them here, or will send for them, and if he desires I will put them in right now.

Mr. STONE. I think the Senator had better put them in in his own time. I will ask the Senator, however, to which he gives the greater credence, an affidavit—I say “affidavit;” are there more than one?

Mr. SMOOT. There are more than one.

Mr. STONE. How many?

Mr. SMOOT. I have not counted them; but there are a number of them, I will say to the Senator.

Mr. STONE. All supposedly from German workmen, who had come here from that country?

Mr. SMOOT. Mr. President, I would rather—and will later, if not now—put the affidavits in the Record, and then the Senator can see just who the affiants are and just what they have to say.

Mr. STONE. To which would the Senator attach the greater credence—the affidavits or the official report of the German Government?

Mr. SMOOT. Mr. President, we were discussing the question as to American wages, and it does seem to me that the affidavit of a man who has within a short time labored in Germany, received his wages there, and moved to this country, working in the same identical business and carrying on the same class of work here, ought, at least, it seems to me, to be taken into consideration without a doubt.

Mr. STONE. Would the Senator from Utah object to my putting this question to him: Whether he believes the Government of Germany would make a false official report to this Government?

Mr. SMOOT. Mr. President, I think a question of that kind is out of place to be discussed here.

Mr. STONE. Well, I leave that to the judgment and discretion of the Senator from Utah. May I ask the Senator, since he has interposed—

Mr. SMOOT. I did not interpose.

Mr. STONE. Let me ask this question: Why the Senator did not inform the Senate of this report of wages furnished by the German Government when this matter of comparative wages was under discussion?

Mr. SMOOT. I will say frankly to the Senator that, so far as the report is concerned, I did not examine it.

Mr. STONE. Did not examine it?

Mr. SMOOT. No.

Mr. STONE. Then the Senator merely examined the affidavits—merely took the statements of interested witnesses, manufacturers and employees, and turned the official report of the German Government down. He did not consider it, it seems, of sufficient importance even to pass it under his inquiring eye.

Mr. ALDRICH. I do not quite know what the Senator is referring to; but I understand that he says the German Government sent a report here which is in the possession of the Finance Committee.

Mr. STONE. Yes; I said that.

Mr. ALDRICH. The German Government sent a report here, or, at least, a report was sent to us from the State Department in German, which has never been translated, and we never have had the time to translate it. The Senator from Missouri seems to know what is in it. I do not.

Mr. STONE. It would seem that the Senator from Rhode Island did not want to know what was in it.

Mr. ALDRICH. I wanted to know very much, but I have not had the time, as the Senator realizes, to have that long report translated. The Senator seems to have some information about it. I have no information on the subject.

Mr. STONE. I have some information about it.

Mr. ALDRICH. Well, that is all right.

Mr. STONE. I have some information about it; and I did not get it from the Senator from Rhode Island or from his committee.

Mr. ALDRICH. No, of course not; because—

Mr. STONE. And the Senator from Rhode Island had at his command the entire State Department, and all the other departments, with an army of experts, translators, and so forth,

if he needed them, to put this German document in English. The translation could have been made with ease and facility.

Mr. ALDRICH. But, Mr. President, the committee had absolutely no knowledge of what was in the report. At the time it was received I sent for an expert to have it examined, with a view of reporting to us what was in it. Since that time the State Department has asked us to return it; and there has been no time for anybody to have ascertained what was in it, unless the Senator has some knowledge of it of his own.

Mr. STONE. Mr. President, this presents a curious situation. Here are Senators composing a great committee, engaged in framing a tariff bill; and in the framing of which the question of wages and the cost of production was one of the most important things to be considered. This report from the German Government, sent to our State Department, was delivered to the committee over which the Senator from Rhode Island presides. He knew what it was about; but unfortunately he can not read German, and this report is in German, and therefore he did not go to the trouble of having it translated that he might find out in English what it was about.

Mr. ALDRICH. This report was sent to the committee from the State Department, without any statement as to what it was about, in connection with, I imagine, two or three hundred other similar communications from foreign governments in reference to the tariff. It came to the committee in connection with thousands of pages of written or printed or typewritten matter, which it has been absolutely impossible for the committee to examine. The Senator, I imagine, has some sort of a conception of the duties of that committee.

Mr. STONE. Some sort of conception.

Mr. ALDRICH. Yes; I hope so, anyhow.

Mr. STONE. Yes.

Mr. ALDRICH. And he realizes, I think, that it would not be possible for the members of that committee to read, if they knew German ever so well, several hundred, if not several thousand, pages of a report from the German Government.

Mr. STONE. Well, Mr. President, it seems to me that if I were a member of that great committee, and had any right to speak, which the Democratic members did not have, and a report as to the wages paid in sundry industries in Germany had been officially made to our State Department, and had been transmitted to the committee, I would have been curious to know what it was, and if I had not been able to read it in German I would have had it translated—

Mr. ALDRICH. Mr. President—

Mr. STONE. Wait a moment—and certainly I would not have come into this Chamber and urged the adoption of paragraph after paragraph of this bill, upon the ground that the wage in Germany is only one-third of what it is in America, when I had in my possession proof furnished by the Government itself that the statement was incorrect.

Mr. ALDRICH. Mr. President, I was so curious that I sent at once to the Bureau of Statistics to have them send a man to examine this report. I want to say to the Senator from Missouri that if we had nothing else to do except to examine this one report as to German wages, that statement would not have been necessarily conclusive as to our action on any item in this bill.

Mr. STONE. No; not conclusive.

Mr. ALDRICH. I can send to the Senator, if he desires, 100 volumes of statements of the relation between American and German wages, many of them as authentic as the report to which he now refers; and, if the Senator is at all curious upon the subject, I will ask the librarian of the committee to send to him in German, in French, and in English a hundred volumes, if he wants to read them, upon this subject.

Mr. STONE. Oh, the Senator is fencing; he is evading. I have equal access with the Senator to all information in the libraries. I have not sought his aid in that direction. I am talking of a different kind of information. And here I will say, I think if the Senator had time to scan the 100 volumes of which he speaks and which he invites me to peruse, he might have found time to read an official report made recently by the Government of one of the greatest nations of the world concerning an important feature of the very matter he was legislating about.

Mr. ALDRICH. I have been reading upon this subject for twenty-five years, as I suppose the Senator from Missouri has, and I have a very clear conception about the relation between the rate of wages in Germany and in the United States. As I said to him the other day, I have a very recent report made by our Labor Bureau, of which Doctor Neill is the head, which compares in certain industries in the United States, in Great Britain, and in Germany wages of certain specified kinds. To my mind

that report is more conclusive, because it is a comparison, an official comparison, if you please, between the wages of the two countries. I assume that this report of the German Government does not undertake to say what are the wages paid in the United States.

Mr. STONE. I assume it does not undertake to say what are the wages paid in the United States, but I assume, also, that it does undertake to say what are the wages paid in Germany. We know ourselves about the American wage, and the German Government and the German people ought to have some definite and accurate idea as to the wage in Germany. I do not believe the German Government would deliberately make a false report to our Government. I would have been glad, at least, to have known what they had to say.

Mr. ALDRICH. If the Senator would not consider it impertinent, I would be glad to ask him how he ascertained what the contents of that report were?

Mr. STONE. It is not impertinent. I have stated it already.

Mr. ALDRICH. I happened to be out.

Mr. STONE. I put that in the RECORD several days ago, and I said at the time that it was furnished to me—not only this table, but some others—by Mr. Montague Lessler, formerly a Member of Congress.

Mr. ALDRICH. What relation has he to the German Government?

Mr. STONE. None; but I understood he had some relation to the Finance Committee.

Mr. ALDRICH. He could not have had any relation to that report, because it certainly has not been translated.

Mr. STONE. Well, he had relation to the Finance Committee, and he knew of this report and told me about it.

Mr. ALDRICH. What relation did he have to the Finance Committee?

Mr. STONE. The Senator from Rhode Island ought to know more about that than I.

Mr. ALDRICH. He has no relation with the Finance Committee, to my knowledge. I never heard the man's name before.

Mr. STONE. Well, I do not know, of course.

Mr. ALDRICH. I am now told that he was employed as an attorney by the importers; but I never happened to hear of him before.

Mr. STONE. I only know what he said, or what I understood him to say. I saw him for a few minutes only, and I may have misunderstood him. But that is wholly immaterial, and I do not propose to be drawn off by a thing of that kind. It does not matter how or from whom I got the information, or whether Mr. Lessler was engaged as an expert by the Finance Committee or by any member of the Finance Committee. All that is immaterial. What I care about, and all I care about, is that the report of the German Government to the State Department was here in the possession of the Senate committee, and we were not given the benefit of the information it contained.

Mr. ALDRICH. If that is the gentleman, it now appears he is the attorney for the importers in this case.

Mr. STONE. What difference does that make as to the thing I am talking about?

Mr. ALDRICH. It makes no difference whatever; but when the Senator says that he is an expert of the Finance Committee, or that he is in any way connected with the Finance Committee, I will say that there is nothing whatever of that kind true. I myself never heard of the man's name before.

Mr. STONE. I accept the Senator's statement as to that.

Mr. ALDRICH. He certainly has never been connected in any way with the Finance Committee; and if he has any knowledge of an official report which has been sent to the State Department, I am curious to find out how he secured that information.

Mr. STONE. I do not know how he secured it; I do not care how he secured it; but the Senator from Rhode Island does not deny that there is such a report or that his committee has had possession of it, nor, I presume, will he question its authenticity or accuracy any more than the German Government would question an official report of like kind from this Government to the Government at Berlin.

Mr. ALDRICH. I ask the Senator from Missouri how he knows that this statement of the attorney is correct, and that the statement which he makes is a part of the report of the German Government?

Mr. STONE. Does the Senator from Rhode Island call it in question?

Mr. ALDRICH. I think the presumption is all against it.

Mr. STONE. Does the Senator from Rhode Island think that the tables I printed as coming from that report are untrue or incorrect?

Mr. ALDRICH. I have no information about it at all. I do not know whether they came from the report, and the Senator from Missouri is not able to state from his own knowledge that it did.

Mr. STONE. Well, I have knowledge. I have a letter here from the Acting Secretary of State, which I read a few moments ago, in response to an inquiry I made of the Secretary as to the accuracy of the table I had put into the RECORD, and he says that it is accurate.

Mr. ALDRICH. Who says that?

Mr. STONE. The Acting Secretary of State, Mr. Wilson.

Mr. MONEY. Will the Senator read the letter again?

Mr. STONE. I have read it, and I have just restated the substance of it.

Mr. ALDRICH. I will be glad to have it read.

Mr. STONE. I will read it again for the benefit of the Senator. Here it is in full:

DEPARTMENT OF STATE,
Washington, May 19, 1909.

Hon. WILLIAM J. STONE,
United States Senate.

SIR: I have the honor to acknowledge the receipt of your letter of the 17th instant requesting that information be sent you by the department as to the accuracy of a table compiled by Hon. Montague Lessler, respecting wages paid in the razor industry in Germany, printed in the CONGRESSIONAL RECORD.

In reply, I have the honor to inform you that a comparison of the statistics in the table printed on page 2149 of the CONGRESSIONAL RECORD for May 18, 1909 (which is evidently the table to which you refer)—

And it was—

with the department's file copy of the original statement by the German Government relative to wages paid in Germany to workmen engaged in the manufacture of razors, shows no discrepancies.

I have the honor to be, sir,

Your obedient servant,

HUNTINGTON WILSON,
Acting Secretary.

Mr. ALDRICH. Mr. President, the experts of the committee who have examined this document reported to me that it was not a report of the German Government at all; that it was a report of certain German boards of trade, giving what purported to be a statement of the wages paid in certain industries by certain firms, and that the names of the firms were in every case withheld.

Mr. STONE. It seems, then, that the matter was discussed by the Senator with the experts. He did not ignore the report, nor was he wholly ignorant of its contents. He did not pass it by without a thought or without attention. While he was reading these 100 volumes he refers to, relating to the wage question between foreign countries and the United States, he did take at least a few moments to talk with the experts about this report and was informed by them as to its contents. I do not know what the experts told the Senator, but the Acting Secretary of State, Mr. Wilson, says that the table printed, when compared with the department's file copy of the original statement by the German Government, shows no inaccuracy. "The original statement made by the German Government" is the language of the Secretary of State.

Mr. DEPEW. Mr. President—

Mr. STONE. In just a moment. When we get a response to the resolution adopted the other day, calling for this document, I suppose we shall have it in full. I said a moment ago that it seemed to me to be a useless task to impose upon the State Department to furnish this matter to us, when the information was already in the possession of a committee of the Senate. I still think so, but I suppose we will have to wait. Now I yield to the Senator from New York.

Mr. DEPEW. I simply want to ask whether that statement, giving the rate of wages, includes the hours per day of labor?

Mr. STONE. The table I printed does not. I do not know to what extent the report itself has gone.

Mr. DEPEW. The reason I ask the question is that I understand that while the hours with us are, as a rule, eight, they are there, as a rule, ten.

Mr. STONE. I do not know whether that statement is correct. It may be so; but that is a wholly different question. The complaint I make is that this information, whatever it is, was not furnished to the Senate by the Finance Committee. When we get the report, if we ever do, the Senator from New York can better discuss it then. It can then be taken up and discussed, examined, and explained, but not before. What the Senator says may be so, or it may not be so. He does not assert it as a matter within his own knowledge, but he says that is his information. That information may have come from some such affidavits as those the Senator from Utah says he has. For myself I want something more definite. I have lost faith in bald assertion and in that vague thing called "in-

formation," coming from nobody knows where, or from whom. But now, Mr. President, I drop this and pass to another phase of the discussion.

THE REASONABLE PROFIT.

I wish now to say something about the closing sentence in that clause of the Chicago platform which I have quoted—I mean that part which lays down the policy of insuring, and which proposes to insure "a reasonable profit to the manufacturer." That is a new thing in our political economics.

It is not only a new doctrine, but startling as well. Insure a reasonable profit to the manufacturer! Why should the Government of the United States assume that obligation? By what right under the Constitution, or under anything else with which we are familiar, does the Government of the United States undertake to insure a reasonable profit, or any kind of profit, to any man engaged in any business? And why give this guaranty to the manufacturer and to nobody else? It is not given to the farmer, to the merchant, to the ordinary mechanic, to men engaged in professional work, or to the common laborer. The farmer, Mr. President, rises when the clarion call of the chanticleer gives notice of the coming dawn, and plods his weary way until the circling orb sinks into the shadow of the night; and the same is relatively true of other men. Who assures them, or any of them, a profit on their industries? They have money and brawn and brain invested, but they have no governmental guaranty of profit behind them. One class only is singled out and separated from all others—the manufacturers—and it is now undisguisedly proposed to levy taxes upon all others to assure a "reasonable profit" upon the investments of manufacturers. It would seem that when the American manufacturer was upon equal footing with the foreign manufacturer in the purchase of raw material, and then after we have imposed a protective duty sufficient, and in most cases more than sufficient, to cover the difference in the labor cost between this country and other countries, that the manufacturer might be left to his own ingenuity, enterprise, and prowess to meet the competition of the world for the markets of the world. But it seems that they have become so spoiled, pampered, and debauched by this policy of high protection that they are not satisfied to enter the race for commercial supremacy on equal terms with their competitors, but they demand a government indemnity against loss; and even more than that, they demand a government guaranty of profit. Mr. President, the most amazing thing of all is that this remarkable demand is not only tolerated, but it is granted. Can it be conceived that the Republican party grants a demand so monstrous without a consideration? And there I leave that question.

ATTACK ON MERCHANTS.

Mr. President, I turn now to another thing. The cost of living in this country is very high. The American workingman does get a higher wage for his day's work than the European workingman receives for his, but then he pays a great deal more for the privilege of living. If there is a marked difference in the day's wage in favor of the American, there is also a difference against him equally marked in the cost of living. But this question of higher cost of living in America concerns not only the wage-earner, but it concerns everyone. Much has been said recently upon the floor of the Senate as to this matter of higher cost of living in America. Everybody knows we pay more for food, for clothing, for rents, for everything—far more—than is paid in any other country in the world. The people have begun to inquire into the cause and the wherefores of this pronounced difference, and the inquiry propounded by the people at home has been repeated here on the floor of the Senate. And what has been the answer? Several Senators here of Republican faith, not discreetly measuring the significance of what they said, charged, directly or by inference, that the exorbitant prices exacted of American consumers was not due to the manufacturers, who are the immediate and chief beneficiaries of the protective system, but was due to the greed and conscienceless extortions of wholesale and retail merchants throughout the country. These merchants were here indicted by Republican Senators, and charged with the crime of extorting from the American people; while, on the other hand, the great industrial monopolies that have grown up under the fostering shelter of these tariff impositions have been pictured as struggling and hard pressed. I know that since the junior Senator from Oklahoma [Mr. GORE] a few days since delivered his scathing philippic, his caustic reproach, to those who made this charge, they have been hunting cover. Since then they have realized their mistake and have been affrighted because of it. Since then they have been making explanations and denials. Only the other day the Senator from Montana [Mr. CARTER] declared in so many words that no such charge had

been preferred against the merchants. Nevertheless, though he was emphatic, he is mistaken. It may be that some of those who made this attack did not do so in terms as direct as others, but there were several who made statements of alleged facts, who made comparisons, and who assumed to trace various articles from the factory to the final purchaser, and in doing this they did in substance and effect indict the merchants. Mr. President, I believe all the Senators who made this outrageous attack upon the wholesale and retail merchants of the country, with one exception, have endeavored to run away from it and escape its consequences. As soon as they found they held a hot wire they have tried to drop it—all but one. I think he ought to have a chance to make explanation and apology. I refer to the Senator from California [Mr. FLINT], and I am sorry I do not see him present.

Mr. BEVERIDGE. He is here.

Mr. STONE. I am delighted to see that the Senator is present, so that I may afford him an opportunity to tender his apology to the retailers of the country and join the others at the altar of confession and repentance. I read from the RECORD of May 15:

Mr. CLAPP. What I was speaking of, Mr. President, is the unfairness—not intentional, perhaps—of characterizing the difference in cost to the retailer on what he sells as a profit, when out of that increased difference in price must come the share of the entire expense of the business.

Mr. President, I not only think we ought to have this information for our own use, but I believe that, unintentionally perhaps, an injustice has been done the retailers of this country.

Mr. FLINT. The Senator looks around to me when he speaks of injustice being done to the retailer. As far as any statement I have made in reference to the retailer is concerned, I reiterate it—I think no injustice has been done the retailer. In my opinion, the retailers of this country are making exorbitant profits. Many of the retailers who have been making exorbitant profits have taken pains to circulate the report that the high prices are caused by the protective tariff. This is not a fact. I think many of these articles that have appeared in the public press have been inspired by department stores. The effect of the articles has been to call attention to the fact that they are making extravagant and exorbitant profits out of their business. I want to repeat and reiterate what I have said on this subject.

And then he added:

I say that the retailers in this country have taken pains to circulate petitions in their stores asking that the duty on this article or that article be reduced on the ground that the tariff upon the article made the high cost to the consumer. I want to say that in each instance where they have sent in these petitions the tariff is not a factor in fixing the price, but it is the exorbitant price charged by the retailer, and a reduction in the duty would not reduce the price charged by the department stores and other retail stores throughout the country.

Mr. FLINT. Mr. President—

Mr. STONE. I yield to the Senator from California with great pleasure.

Mr. FLINT. I simply wish to say to the Senator from Missouri that I am receiving hundreds of letters from consumers in the country who believe that there is a combination in many of these stores to charge exorbitant profits, and before this debate shall have been finished I propose to show that the price charged by the manufacturers in this country for their goods is not excessive; in other words, that the manufacturers of this country are receiving only a reasonable profit on their sales. The article then goes to a jobber, then to a wholesaler, and then to the retailer, each making a profit. I am not prepared to say, and do not say, that the net profit to the retailer is so great, but I do say that the amount of expenses in connection with the conduct of the retail stores throughout this country in the large cities is so great that it makes an additional charge to the consumer; that it is not the tariff that makes the increased cost of the article, but the expense of conducting stores throughout the country and the great profits that they make.

Mr. STONE. Mr. President, the Senator has made a half-way apology to the retailers. He has not retreated, however, as far from his position as did other Senators. He has much of that fearless strength of character which belongs to far western people, and therefore he stands a little more resolutely by his guns. He retracts only in part; not in whole, as the others did. He only modifies; he does not supplicate. Still the Senator's explanation does not explain. He now says that he is not prepared to assert that the retailers do in fact receive a larger profit than they ought. The Senator shakes his head.

Mr. FLINT. I say the net profits.

Mr. STONE. Well, the net profit is what counts.

Mr. FLINT. There may lie the difference between the Senator and myself.

Mr. STONE. Oh!

Mr. FLINT. I want to say very clearly that I think that the difference between what an article costs one of these department stores and what it sells for is in every instance greater than the duty on a similar article brought into this country.

Mr. STONE. But the retailer pays a given price for his article to the manufacturer or the jobber or the wholesaler,

and then sells it to his customer for a given price, and the difference between the two is supposed, in a general way, at least, to represent his profit.

Mr. FLINT. Stating it just as the Senator from Missouri has stated it, I contend that that is an excessive profit. The expense of conducting business may bring down the net profit, but the difference, as the Senator says, between what those goods cost the retailer or the department store and what they sell them for is an excessive and an exorbitant profit, in my opinion.

Mr. STONE. Of course the retailer incurs expense in running his business, which has to be charged against the cost of what he sells.

The Senator from California declared in the extract which I have read from the Record that the profit of the retailer is exorbitant. Now he says he is not willing to stand by that declaration without the modification he makes. But, Mr. President—

Mr. MONEY. He said it was outrageous, too.

Mr. STONE. My friend the Senator from Mississippi suggests that I ought to add that the Senator from California declared that the profit realized by the retailer was both exorbitant and outrageous.

Mr. President, I do not believe that charge to be true. The wholesale merchants have built up their businesses without protection. Often from small beginnings, by close attention to business, by frugality, by industry, by all the things that contribute to success, they have forged ahead without asking for laws that would compel other people to pay them tribute. The retailers, at least in my State, and I think in all the States, fight their own battles, and they are not usually easy battles. In nine-tenths of the towns and villages of the United States the retail merchants make their own fires, sweep their own stores, often work in their shirt sleeves, and live in unpretentious homes. The manufacturers—the special pets of this system of taxation, against which I protest—live for the most part, as everybody knows, in palaces, race over the country in automobiles, and sail the seas in luxurious yachts. I am not “kicking” because these men have bamboozled the people and the Congress and are therefore fortunate. I simply do not want their sins unloaded on others.

Mr. President, I want to ask what is a “reasonable profit?”—and I want to put the Republican Senators here to the test on that. What is a “reasonable profit?”

Mr. CULBERSON. The Senator from Missouri, if I understand him, is discussing the general proposition whether or not the tariff is added to the cost of the article to the consumer. He is also discussing the question as to whether this addition is reaped by the retailer or by the manufacturer. With reference to the first of these questions, by permission of the Senator, I want to incorporate just here a sentence or two from the report of the committee, which has been called to my attention, and my memory has been refreshed about it by an enterprising editor in New York. The report is from the proceedings of the Congress of the Confederacy for December 16, 1782, and was submitted by Mr. Hamilton, chairman of the committee, of which Mr. Madison and Mr. Fitzsimmons were the other members. The sentence to which I desire to invite attention in support of the general proposition of the Senator from Missouri is the following:

The most common experience—

Says Mr. Hamilton in this report—

joined to the concurrent opinions of the ablest commercial and political observers, has established beyond controversy this general principle, that every duty on imports is incorporated with the price of the commodity and ultimately paid by the consumer, with a profit on the duty itself as a compensation to the merchant for the advance of his money.

Mr. STONE. Mr. President, I am gratified that my friend the Senator from Texas has injected that very pertinent matter into my speech. I resume at the point I was on when the Senator agreeably and profitably interrupted me.

MANUFACTURER'S PROFIT.

Mr. President, I have been endeavoring through interruptions to discuss the Chicago platform declaration proposing to guarantee to the manufacturers a “reasonable profit” on their investments, and I have said that I wanted to put Republican Senators and I want to put the President to the test as to that. There are a number of schedules that I might select for this purpose, and I have hesitated as to which I should select for the purpose of presenting this question in its most striking and aggravating aspect. Mark you, the platform and Mr. Taft, as the party candidate upon that platform, announced the new and strange doctrine that a profit was to be guaranteed to men investing in manufacturing enterprises, but they said that it was to be only a “reasonable profit”—nothing beyond that. Now, among many that might be well selected for the purpose, I have chosen the cotton schedule to illustrate and emphasize what I

have in mind. The cotton manufacturers of Massachusetts, Rhode Island, and other States have been here in Washington before the House Ways and Means Committee and the Senate Finance Committee clamoring for increased tariff rates on their products. They are not only asking for higher rates, but for new and strange classifications. If you will examine, as no doubt every Senator has, the statistical abstract prepared by the Finance Committee, you will observe that on the face of this document certain things are set down as luxuries and certain other things as necessities. Surprising as it may be, it is nevertheless true that the committee have set down many cotton fabrics, such as are commonly used as dress goods by the women and girls in the middle classes—that is to say, the wives and daughters of what is usually designated as the “common people”—as luxuries. Common cotton dress goods, almost universally used, costing from 15 to 50 cents per yard in the country stores, are set down and taxed in this bill as luxuries. Such goods are already covered by a customs duty that any man not tariff-mad would call highly protective, if not prohibitory; but the makers of these commodities come here and ask for an increase of duty, and that there may be some justification for this demand they have these things of common necessity described as “luxuries.”

Mr. President, let us look at this. The Republican platform and the President say that tariff taxes should be imposed, among other things, to insure a “reasonable profit” to the manufacturers. Let us apply the good faith of this declaration as it stands exemplified in this cotton schedule. These manufacturers have come here from the New England States to ask for an increase of the duty, and the committee has yielded to that demand. The rates have been appreciably enhanced practically all along the line, and in many instances they have been doubled, or almost so. What justification can be found for this recommendation of the Finance Committee? Is this increase necessary to insure these particular manufacturers a “reasonable profit” on their investment? Let us see. Mr. President, I hold in my hand a statement showing dividends paid by the principal cotton manufacturers in New Bedford, Mass., which would be especially benefited by the propositions advanced in this cotton schedule as reported by the Finance Committee, showing the dividend payments of these mills for 1908. These figures are authentic. They have been published by Sanford & Kelley, bankers, in New Bedford, who deal in the stocks of these manufacturing corporations. Moreover, they are matters of public record, made so under the law of the State, and may be easily verified. I submit to the Senate the following tables, giving the names of several corporations, the capitalization of each, and the dividends paid by each in 1908:

Corporation.	Capital.	Dividend, 1908.
		Per cent.
Aenshnet Mills.....	\$500,000	16
City Manufacturing Co.....	750,000	18
Dartmouth Manufacturing Co.....	600,000	66
Hathaway Manufacturing Co.....	800,000	10
Pierce Manufacturing Co.....	600,000	16

The amount of the surplus of these corporations is not at this time available; nor are the market values of their shares.

I have not been able, Mr. President, to obtain possession of figures showing dividends paid in 1907. But the above percentages are comprised in total dividends paid by all cotton-goods mills in 1908, of \$1,798,595, against a total paid in 1907, of \$2,489,750. In other words, the general dividends paid by New Bedford mills averaged over 38 per cent more in 1907 than in 1908; and, on this basis, the mills above would have paid an average dividend in 1907 of 34.7 per cent. I am told it is a matter of common knowledge in the trade, however, that the above mills did even better than this in 1907.

The average dividend shown by the above figures for 1908 is 25.2 per cent.

Mr. President, it is proper to say that these statistics were furnished me by Mr. E. B. Shipley, president of the Publicity Committee of Wholesale Dry Goods Merchants of New York. I have another statement here from the same source, equally interesting, which I shall lay before the Senate.

This statement shows the dividends paid by nine cotton-goods mills of Fall River, Mass., who would be principally benefited by the proposed advances in the schedule. These figures are published by Edwin J. Cole, banker and broker, of 8 South Main street, Fall River, Mass. These figures are matters of public record in Massachusetts and may easily be verified. The table to which I am about to refer gives the name of the corporation,

the capital of the corporation, the surplus of each, the dividend for 1907, and the market value of the shares January 1, 1909:

Corporation.	Capital.	Surplus.	Dividend, 1907.	Market value of shares January 1, 1909.
			<i>Per cent.</i>	
Border City Manufacturing Co.	\$1,000,000.00	\$107,266.54	23.5	\$150.00
Cornell Mills	400,000.00	233,578.76	16	180.00
Flint Mills	580,000.00	139,804.03	12	108.00
Narragansett Mills	400,000.00	142,220.35	11.5	135.00
Richard Borden Manufacturing Co.	1,000,000.00	468,024.67	20	180.00
Sagamore Manufacturing Co.	900,000.00	348,763.57	30	180.00
Tecumseh Manufacturing Co.	750,000.00	249,188.02	14.5	150.00
Union Cotton Manufacturing Co.	1,200,000.00	572,544.66	35.5	195.00
Troy C. & W. Manufactory	300,000.00	366,529.28	67	330.00

* This is based on par of \$100 per share. The actual par of shares is \$500, and the market price \$1,650.

The average dividend actually paid in 1907 was 25½ per cent.

The average selling price of all these companies on January 1, 1909, of \$100 shares was \$178.66.

It should be borne in mind that the above mills are those making the general class of goods which would be most seriously affected by the proposed advances of the Aldrich bill. Although it is not a matter of public record, it is a matter of common knowledge in the trade that, in addition to the above dividends, these mills have paid enormous salaries to managing officers, and that for some years they have been rebuilding and enlarging their plants out of profits.

One of the largest "fine goods" mills of Fall River, not mentioned above, is "King Phillip" Mills, which for the past fourteen years has averaged 13.86 per cent dividends, including extra dividends amounting to 100 per cent. Capital, \$1,500,000; surplus, \$871,033.91; 135,072 spindles. It is said that in addition this company has recently given away a lot of bonds to its stockholders, probably paying additional dividends in that way, and in that way attempting to conceal the payment.

Mr. President, I am told that the statutes of Massachusetts require manufacturing corporations to furnish for public record such data as that I have quoted. Some of the largest manufacturing plants of the country are in Rhode Island. I sought diligently to procure some authentic data as to those mills similar to that I have read relating to the mills in Massachusetts. I was unable to obtain it. The Yankee in Rhode Island seems to be somewhat shrewder than his brother in Massachusetts. Rhode Island is little more than a miniature State, but the people there know their business. Their chief business is manufacturing, and they live on the balance of the country. They have not passed any laws requiring the publication of data that might prove embarrassing on occasions like this. In this respect little Rhode Island has outgeneraled the old Bay State.

Mr. President, notwithstanding all I have said, these manufacturers are here clamoring for higher duties. I want to know, and I put the question to Republican Senators and to the President, whether this is the "reasonable profit" contemplated in the Chicago platform? Is this the "reasonable profit" Mr. Taft had in mind when he was addressing the American voters last year? Is it not enough as it is? And why should they come here and ask and receive at the hands of this Congress a higher duty upon their products? Take this case and tell me who is extorting from the people—the manufacturers or the merchants? And remember, Mr. President, that I cite this case only as an example; it is not exceptional.

PANIC 1893—CAUSE.

Now, Mr. President, hoping to conclude very soon, for I am beginning to feel somewhat fatigued, I pass from all this, putting aside some things I had in mind, to discuss another matter and to refute some silly things that have been uttered here over and over again. Whenever we talk on this side of the Chamber, or whenever the so-called "progressive Republicans" talk on the other side of the Chamber, of reducing the tax burden, the Wilson law is flaunted in our faces, and the panic of 1893 to 1897, attributed to that law, is paraded as a solemn warning. One might suppose from what we so often hear upon the other side that the country had never been afflicted with a panic except the one to which I have referred.

But we had panics and industrial depressions long before and since the Wilson law. We had one in the seventies, another in the eighties, and another recently, from the effects of which we

have not yet recovered. They have fallen upon the land like a blight periodically.

Mr. President, I affirm what I believe to be absolutely true and demonstrable, that the so-called "Cleveland panic," from 1893 to 1897, was not due to the Wilson law. That law had little, if anything, to do with that disturbance.

Mr. SMITH of Michigan. The Senator from Missouri is bound to say that the panic continued as long as that law was on the statute book.

Mr. STONE. Yes; and it began before that law was on the statute book. The Wilson law, so called, or the Gorman-Wilson law, although it laid somewhat lower rates of duty than the Dingley law, was yet a highly protective statute. We all know that after that bill came from the House it was so changed in the Senate that its progenitors could not have recognized it on the street. We know that by a combination of Republicans and certain Democrats here in the Senate the House rates were substantially and almost universally increased. We know that Mr. Cleveland refused to sign the bill, because, as he said, it represented party "perfidy and dishonor;" that it did not keep faith with the American people according to the pledge made in the platform upon which he was elected; and he permitted it to become a law under the provisions of the Constitution by declining either to sign or to veto it. I wonder if Mr. Taft will follow this distinguished example when he is put to the test a few weeks hence.

Mr. President, that panic storm of 1893 to 1897 broke on the country a year before the Wilson law was enacted and while the McKinley law was still in force. A widespread industrial depression had prevailed throughout this country long before Cleveland was elected President in 1892, and it prevailed abroad as well as in this country. These are historical facts, and therefore what is the need of men who care for the truth of history, and who are not swayed wholly by narrow partisan consideration, denying what they know to be true?

Every Senator upon that side, as well as upon this, knows that the gold supply of the Treasury was practically exhausted before Cleveland was elected President in 1892, and you know how that was brought about. President Harrison had determined upon the policy of permitting every man holding any obligation of the Government to demand its redemption and payment in gold, even though under the law and the contract it might have been paid in either gold or silver. The Senator smiles. Does he deny the accuracy of the statement?

Mr. SMITH of Michigan. The Senator from Washington [Mr. PILES] smiled.

Mr. STONE. I am speaking of the Senator from Washington.

Mr. PILES. I was just amused at the exaggeration of the Senator from Missouri.

Mr. STONE. Wherein have I exaggerated? I challenge the Senator to say where I have exaggerated or misstated the truth.

Mr. BURKETT. Let me read the Senator a quotation from a Democratic paper as to the statement the Senator made.

Mr. STONE. I do not care for that.

Mr. BURKETT. I just wanted to show the exaggeration—

Mr. STONE. Does the Senator deny the accuracy of the statement?

Mr. PILES. I thought the Senator was greatly exaggerating when he said the panic preceded the Wilson bill for about a year, I think he said.

Mr. STONE. Yes; I said that, and I repeat it. The storm cloud of that panic was already high on the horizon before Cleveland was elected, and it swept the country with all its fury months before the Wilson bill was passed and became the law of the land. I state that as a matter of absolute historical fact—a fact not too old to be forgotten by the men of this generation.

Mr. BURKETT. I will say that I did challenge the statement that there was any panic in this country before Cleveland was elected, and I was going to read some Democratic newspaper clippings that I happen to have at hand to demonstrate it to the Senator. Of course if he objects to my reading them, I can not demonstrate it.

Mr. STONE. If the Senator has clippings from Democratic papers, he had better read them at home. [Laughter.]

Mr. President, I suppose it will not be denied that during the Harrison administration preparation had been made to issue bonds to borrow money in that time of peace to supply the depleted gold reserve of the Treasury, nor will it be denied that the plates for those bonds had been prepared before Cleveland was elected.

I overheard some Senator over there say in undertone that this is getting into old things, and so it is; but you talk of old things and so will I. I will not sit here and listen to Senators upon the other side charge day after day that the panic of

1893 to 1897 was the outgrowth of the Wilson law, when they must know and do know as well as we that that law was not the cause nor even an important contributing factor to that panic. I will not permit that silly political falsehood to go unchallenged. Senators know that that panic was on the country long before the Wilson bill was enacted, and that the country was suffering from its dire effects for practically a year before the Wilson Act became operative.

Senators shake their heads. Nevertheless, I speak the truth. Republicans have got so much in the habit of assigning that panic to the Wilson law that I suppose the weaker ones among them really believe it. But, Mr. President, there are some Republican Senators who know better, and who are candid enough to say that the Wilson Act was not the cause, at least the chief cause, of that panic. On April 22 of this year, answering this very charge, the distinguished Senator from Minnesota [Mr. NELSON] said:

Let me answer the Senator from New Hampshire. While I do not justify the law of 1894, I want to be fair enough and manly enough to say that all of the stagnation that prevailed during those dreary years from 1893 to 1897 and 1898 was not altogether owing to that law. It was more owing to the vicious conditions under which our currency existed. It was on account of that as much as on account of the tariff.

That Senator knew the truth, as others know it, but he had more courage and candor than some others in telling it. I wish there were more than there are upon that side as broad and liberal and fair as the Senator from Minnesota. But most of you have made up your minds to stick to this old story, true or false. You have found it to be a dividend-paying political asset, and so you intend to keep on peddling it in the press, in the CONGRESSIONAL RECORD, and from the stump. Except for the question of veracity involved, I do not blame you.

Mr. SMITH of Michigan. Mr. President, I am very much interested in the argument of the Senator from Missouri, and I do not want to disturb him; but I should like to ask him whether the languishing of the woolen industry in this country was attributable to free raw wool from Australia and New Zealand, or to our financial laws?

Mr. STONE. O Mr. President, the Senator from Michigan is seeking to divert me now into the discussion of a particular schedule.

Mr. SMITH of Michigan. I was just taking one.

Mr. STONE. I am discussing general conditions as they existed then—

Mr. SMITH of Michigan. I thought I would take one.

Mr. STONE. But I will not be diverted from a general argument into a controversy over a detail.

Mr. President, I affirm, as the Senator from Minnesota [Mr. NELSON] affirmed a few days since, that the oft-vaunted Cleveland panic was due far more to financial conditions than to the tariff. It was due to an inadequate supply of money to meet and accommodate the business demands of the American people. Mr. President, I want here to put some indisputable facts in the RECORD regarding this. I want to show what the general financial situation was at that time with respect to the people at large. First, at the time of Cleveland's second inauguration, in 1893, the per capita circulation of the United States was only about \$19 to \$20. Those who know anything know that values of property are affected by the volume of money in circulation and available; that these values are more affected by that than by any other one thing. When the money volume is too small, property values go down, and then again they go up in correspondence with any perceptible increase in the volume of currency. Not only are property values affected in this wise and from this cause, far more than from any other cause, but labor wages and industrial conditions are likewise affected and in like degree by the same cause.

Mr. GALLINGER. Has the Senator from Missouri any figures to show what the per capita circulation of money was in 1893, as compared with the preceding year? Was there an actual scarcity of money in that year?

Mr. STONE. Yes.

Mr. GALLINGER. Has the Senator from Missouri the figures to show that?

Mr. STONE. There was an actual scarcity of money. I have not at hand the exact information in official form which the Senator calls for. I have not at my desk at this moment the reports of the Treasury Department or the other available sources of information on this subject; but I did not suppose that that would be called in question. That, I assumed, was a matter of such common, acknowledged, and universal information that I did not suppose it would be called in question.

Mr. GALLINGER. I do call it in question, for I have every reason to know that there was not a shrinkage in the per capita circulation of money at that time.

Mr. STONE. The Senator says "a shrinkage." I am speaking of the actual amount available.

Mr. GALLINGER. Then, I will put it in that form.

Mr. STONE. The per capita circulation of the country—

Mr. GALLINGER. I put it in that way, for I have every reason to believe that there then was sufficient money to carry on the business of the country.

Mr. STONE. There may have been in New Hampshire.

Mr. SMITH of Michigan. There was more money then in circulation than ever before.

Mr. GALLINGER. The Senator from Michigan suggests that there was more.

Mr. STONE. I do not think so. I join issue on that.

Mr. SMITH of Michigan. There was more circulation per capita than ever before.

Mr. STONE. I join issue on that. The Senator says there was more money in circulation—

Mr. GALLINGER. If the Senator from Missouri will permit me, he calls attention to the difference which existed before the time that President Harrison went out of office. We all admit that the Senator has stated it substantially correct; but the Senator is doubtless very familiar with the platform adopted by the Democratic party on June 21, 1892, in which the threat was made, which every manufacturer in the United States understood to mean, that the protective principle would be absolutely withdrawn if the Democratic party came into power. The Senator knows that.

Mr. STONE. I know what the platform said.

Mr. GALLINGER. The Senator knows it.

Mr. STONE. I know the platform declared in favor of a tariff for revenue.

Mr. GALLINGER. Yes; and a little more than that. It declared that—

The Federal Government has no constitutional power to impose and collect tariff duties, except for the purposes of revenue only.

Mr. STONE. I adhere to that.

Mr. GALLINGER. And the platform declared that it was unconstitutional to collect money for any other purpose.

Mr. STONE. I will ask the Senator from New Hampshire to state now if he believes that the Congress of the United States has the constitutional right to levy a tax purely for the purpose of protection and without reference to revenue?

Mr. GALLINGER. Certainly not; but I will say to the Senator from Missouri that I agree with Washington, with Jefferson, with Madison, with Monroe, and with Jackson, that we ought, in levying taxes, to take care of our manufacturing industries. The Senator from Missouri knows that. So I need not go into it.

Mr. STONE. Of course, I agree to that.

Mr. GALLINGER. That is exactly what the Democratic party denied in the platform preceding the election of Mr. Cleveland.

Mr. STONE. No; the Democratic party never denied that.

Mr. GALLINGER. Oh, yes; they did.

Mr. STONE. They never denied that any duty levied upon imports is, to the extent of that duty, a protection to American industries; and while we stand for the fundamental doctrine of a tariff for revenue, we are glad to give to American industries the benefit of that tax.

Mr. GALLINGER. I differ with the Senator from Missouri on that point; and I make the assertion that if \$2 is a protective duty, \$1 may be absolutely destructive to the protected interests of the country; that it is not necessary to go to absolute free trade, but that the moment we get beyond the protective point our manufacturing industries must go to the wall, because they can not compete with foreigners.

Mr. STONE. Well, a duty of a dollar levied upon a given article certainly is a protection to that extent. It might not, in the view of the Senator from New Hampshire, be a protection to the extent he desired. He would probably desire to exclude foreign competition altogether, or at least to cripple it as much as possible by the higher rate. But, Mr. President, I will not proceed further on this line, for I do not wish to become involved in the discussion of the details of a tariff policy.

Mr. GALLINGER. If the Senator will permit me, a duty is not any protection if it does not put us on an equal footing with foreign manufacturers. If it enables them to come into our market places and underbid us, then the so-called "protection" that the Senator speaks of is not any protection at all. We are at their mercy.

Mr. STONE. The Senator is still insisting upon an academic discussion.

Mr. GALLINGER. Not at all.

Mr. STONE. Yes. But let us be practical, rather than theoretical. Your platform proposed to levy a duty only high

enough to cover the difference in the cost of production abroad and in the United States and to assure a reasonable profit to the manufacturers. You declared that when that was done the duty was high enough, and Mr. Taft declared that anything beyond that was excessive. There is no use in theorizing or engaging in academic debate. You have yourselves established a rule to be followed in laying duties. You established a rule, but you do not adhere to it. As we pass along from one thing to another you hear arguments from that side to the effect that a given duty, estimated in accordance with the platform declaration, is not, in the language of the Senator from New Hampshire, sufficient "to put us on an equal footing with foreign manufacturers, and that, therefore, the so-called 'protection' is not any protection at all." Mr. President, I have shown in argument and by specific illustrations that the plan followed here is to impose duties not in accordance with the rule prescribed at Chicago, but to please the manufacturers and satisfy their greed. I have shown instances where the tariff not only covers every possible difference in the cost of production, but that under the tariff we now have the manufacturers were making a profit on their investment of from 20 to 30 per cent and over, and yet the Finance Committee are proposing in those very industries to increase the rates. I presume that that is being done on the theory of the Senator from New Hampshire. For myself, while intensely anxious to be in all things fair and just to the manufacturers, I desire also to be equally fair and just to the consumers.

TAXING POWER.

Mr. SUTHERLAND. Will the Senator permit me to ask him a question?

Mr. STONE. Yes.

Mr. SUTHERLAND. The Senator from Missouri has assailed the protective policy as being unconstitutional. Laying aside the power of the Government under the taxing clause of the Constitution, the Senator from Missouri will recognize that the Government of the United States is a sovereign Nation, having all the powers of any other sovereign nation.

Mr. MONEY. I deny that.

Mr. SUTHERLAND. And as such, may it not absolutely prohibit some particular class of goods coming in from a foreign country if it deems that their importation is harmful? If it may do that, may it not impose duties, or in any other way enact laws, that will prevent their coming in in such way as to be injurious to the United States or to the industries of the United States?

Mr. STONE. Mr. President, I think the Government of the United States is a Government of limited and delegated powers, and not of inherent powers.

Mr. SUTHERLAND. Mr. President, if the Senator will permit me right there, I agree with the Senator that the Government of the United States is a Government of delegated powers so far as its relations with the various States of the Union are concerned; but I deny that it is a Government of delegated powers when it comes to deal with a foreign nation. In our dealings with foreign nations, as I claim, the Government of the United States is a sovereign power dealing with foreign nations in its sovereign capacity, and not by virtue of its delegated powers.

Mr. STONE. Declining to be provoked into a protracted discussion of these old questions with the Senator from Utah, for that would divert me from my present purpose, I should like, nevertheless, to inquire of the Senator whether he agrees with his colleague, the Senator from New Hampshire [Mr. GALLINGER], that the Government of the United States can not pass a law imposing taxes solely for the purpose of prohibiting the introduction of foreign goods into the United States? Would such a law, so entitled, be a constitutional enactment?

Mr. SUTHERLAND. Yes, Mr. President, I think the Government of the United States has absolute power to prohibit the importation of goods from any particular country in the world that it sees fit to do. The Government of the United States has done that in the case of convict-made goods. We have absolutely prohibited the importation of convict-made goods from foreign lands; and that, if the Senator will permit me, illustrates very well the difference between what I may call the sovereign powers of the Government and the delegated powers of the Government. I think we can not prohibit the transportation of convict-made goods from one State to another, but I think that we have the absolute power to prohibit the importation of convict-made goods from a foreign nation, because in the latter case we are operating under the sovereign power of the United States, and in the other case, that of the transportation of goods among the States, we are acting under the delegated powers.

Mr. RAYNER. Mr. President, will the Senator from Missouri allow me?

Mr. STONE. I yield.

Mr. RAYNER. I should like to know whether the Senator from Utah means that we can use the taxing power to prohibit importations?

Mr. SUTHERLAND. I was not discussing the taxing power. I expressly stated—

Mr. RAYNER. Yes; but the Senator from Missouri was discussing the taxing power. He was not discussing the regulation of commerce.

Mr. SUTHERLAND. If the Senator from Maryland will permit me, the Senator from Missouri was asserting, as I understood him, that we have no power to protect the industries of this country by prohibiting the importation of goods from abroad. He was discussing it under the taxing power.

Mr. RAYNER. One moment—

Mr. SUTHERLAND. I was simply, if the Senator will permit me further, directing the attention of the Senator from Missouri to the whole power which the Government of the United States may exercise.

Mr. RAYNER. The point I want to get at is this: Does the Senator from Utah contend that we can levy a tax for the purpose of prohibiting importations? That is the question that I should like to have answered.

Mr. SUTHERLAND. I do, Mr. President. I contend that very thing.

Mr. RAYNER. Well, Mr. President, the Senator from Utah is against all the text writers on the subject.

Mr. SUTHERLAND. Well—

Mr. RAYNER. Just one moment upon that proposition.

Mr. SUTHERLAND. Let me say—

Mr. RAYNER. Let me just finish my statement.

Mr. SUTHERLAND. Very well.

Mr. RAYNER. The Senator from Missouri is not discussing the power of Congress to prohibit importations under the right to regulate commerce. That is an open question, and the authorities lean toward the proposition of the Senator from Utah; but the proposition that I assert—and I assert it now, because I intended to discuss it this afternoon, but I shall defer doing so until some other opportunity presents itself—is that we have no right to use the taxing power for the purpose of preventing importations or of prohibiting importations. The taxing power can not be used for any such purpose; and if upon the face of this bill, with hundreds of importations prohibited, you proclaim that you are using the taxing power for that purpose, this bill would be unconstitutional. In every case that has gone before the Supreme Court, they have said that they could not decide upon the constitutionality of the question, because the bill upon its face set forth that it was for the purpose of collecting revenue.

Now, before the Senator answers me, let me give him just a line or two upon this subject in the discussion of this proposition by one whom I consider the best text writer upon the subject, because it is not only said by him, but followed up by Cooley and substantially conceded by Story. He states the proposition thus, and I read from Tucker on the Constitution:

What, then, does the power to regulate commerce mean?

First, it does not mean the power to levy duties upon foreign imports, for the reasons already given; and these reasons are sustained by this additional observation: Suppose the Constitution had granted the power to regulate commerce and had not granted the power to tax, could Congress have taxed under the power to regulate commerce? Or, *e contra*, if the power to tax had been granted, but that to regulate commerce had been denied, could Congress, under the power to tax, have regulated commerce?

My proposition is this: That if you want to prohibit imports, you can prohibit them under the clause to regulate commerce. You need not say so; and there is where you are practicing a fraud upon Congress, upon the Constitution, and upon the Supreme Court; but when you levy a duty, you must levy that duty for revenue. The Supreme Court has stated that they can not hold any of these bills to be unconstitutional simply because they can not tell upon the face of them whether the duty is levied for revenue or not. If you would send to the Secretary's desk now—and I propose to do it when the opportunity presents itself—a bill which declared upon its face that a revenue duty was laid for the purpose of prohibiting importations and shown to the Supreme Court that that was the purpose of the measure, I assert now, without the fear of successful contradiction, that that bill would be an unconstitutional bill upon its face.

I have never heard that proposition contradicted. All the text writers—Cooley and all of them—agree upon that proposition. If you want to accomplish the prohibition of importations, you must do it under the right to regulate commerce. You can never abuse the taxing power of the Government for

the purpose of preventing and prohibiting importations; you must do it ostensibly for the purpose of collecting revenue. That was the decision in the great case of *Fenno v. The Veazie Bank*, in Eighth Wallace, which my friend from Utah will recollect.

Mr. SUTHERLAND. Mr. President, will the Senator from Missouri permit me just a word?

Mr. STONE. I yield to the Senator.

Mr. SUTHERLAND. I will not trespass upon the Senator's time, if he objects.

Mr. STONE. No; I will yield.

Mr. SUTHERLAND. I was not discussing the power of the Government of the United States under the taxing clause of the Constitution. The Senator from Maryland says that, when we prohibit the importation of goods from a foreign country, we are doing it under the commerce clause of the Constitution. I do not think so. The commerce clause of the Constitution gives Congress the authority to regulate commerce, not to prohibit it; and when we prohibit the importation of goods from a foreign country, my position about it is that we are proceeding under the sovereign powers of the Government of the United States, which powers are to be distinguished from the delegated powers.

Mr. RAYNER. Mr. President, there is no sovereign power in the Government of the United States. I emphatically protest against the assertion of such a proposition. There is no power in the Government of the United States except the power that is contained in the enumerated articles of the Constitution.

Mr. SUTHERLAND. I beg to differ with the Senator from Maryland—

Mr. RAYNER. The Senator—

Mr. SUTHERLAND. Just a sentence, and then I will close, because I realize that I am trespassing on the time of the Senator from Missouri.

I take the position that the Government of the United States possesses two classes of powers; namely, its delegated powers, in its operations among the various States of the Union, and its sovereign powers, which are the sovereign powers of any sovereign nation in the world.

Mr. RAYNER. Will the Senator from Missouri indulge me?

Mr. STONE. Certainly.

Mr. RAYNER. Does the Senator from Utah assert, for the first time in this Chamber (with one single exception, perhaps, and that is the senior Senator from Indiana, who has asserted that proposition), that there is any inherent power in the Government of the United States, or that it has any power whatever, except such powers as are contained in the Constitution and in the enumerated articles of the Constitution? Does the Senator pretend that we could even collect revenue, or that we could regulate commerce, or that we could do anything else, except in accordance with the enumerated powers of the Constitution?

The right to regulate commerce comes from no inherent power vested in the Government of the United States. The right to regulate commerce comes in pursuance of the provisions of the Constitution. The right to impose taxes, duties, excises, or imposts does not originate from any inherent power in the Government of the United States. It comes from the article of the Constitution that gives us that power; and now, if the Senator from Missouri will excuse me, before I resume my seat, I will quote four or five lines from perhaps the greatest text writer on this subject, to show that under the power to collect revenue you can not lawfully use that power for the purpose of preventing and prohibiting importations. I will quote this from Judge Cooley:

Constitutionally a tax can have no other basis than the raising of revenue for public purposes, and whatever governmental exaction has not this basis is tyrannical and unlawful. A tax on imports, therefore, the purpose of which is not to raise revenue, but to discourage and indirectly prohibit some particular import for the benefit of some home manufacturer, may well be questioned as being merely colorable, and therefore not warranted by constitutional principles.

And I want to call the attention of the Senator from Utah to this particular proposition. He says that as it is a duty from which revenue may be derived, the judicial power, where the motive of laying does not appear on the face of the act, can not condemn it as being unconstitutional, but it is none the less a violation of the Constitution by the legislator who knows its object, and levies the duty from a motive not justified by the Constitution.

Mr. MONEY. Will the Senator from Missouri permit me there?

Mr. STONE. Certainly.

Mr. MONEY. Mr. President, I do not want to intrude into this debate, except to say that if the argument of the Senator from Utah, that this Government has any sovereign or inherent powers is correct, then it was absolutely useless to delegate

any powers to it. There would be an absolute absurdity in any convention delegating to the Government everything which it already had. If it was sovereign, it had all the powers of sovereignty. There is no difference in sovereign States, however small or however large they may be; they are exactly the same, and there can be no delegation of power where that power already exists.

Now, in answer to what the Senator from New Hampshire [Mr. GALLINGER] has said and what the Senator from Utah [Mr. SUTHERLAND] has said upon this subject, I want my friend, the Senator from Missouri, to read a quotation that I have here, which, however, is somewhat long, and I want to say that this is almost uniform with all the text writers—I believe all except one—and that I have selected it from Mr. Cooley, because he is not only one of the greatest jurists this country ever produced, and one of the clearest and most accurate in his expressions, but because he is a Republican, and his authority ought not to be questioned here. I will ask the Senator from Missouri if he is willing to incorporate this as a part of his remarks?

Mr. SUTHERLAND. Will the Senator from Missouri permit me to ask the Senator from Mississippi a question?

Mr. STONE. I will permit the Senator to ask a question, but it seems to me that I have been already overindulgent.

Mr. SUTHERLAND. The Senator has been very kind. I simply want to ask the Senator from Mississippi if the States of the Union, in forming the Constitution, reserved to the States any power to deal with foreign nations?

Mr. MONEY. If the Senator will read the ninth and tenth amendments to the Constitution, he will see that the powers not expressly delegated to the General Government are reserved to the States and the people thereof. That is the answer.

Mr. SUTHERLAND. The Senator does not quite answer my question.

Mr. MONEY. I thought I had completely answered the question, but I want to read more, if the Senator will permit me.

Mr. SUTHERLAND. Has any State in the Union the power to deal directly with a foreign nation?

Mr. MONEY. Nobody has contended so. That is not a question that can be properly raised here, for nobody has ever contended that it could. On the contrary, it is understood that their relations with foreign nations ceased, and they now act only through a certain form of government which they instituted for that very purpose, of communicating with foreign countries.

Mr. SUTHERLAND. Then, the States did not reserve that power?

Mr. MONEY. They did reserve all the power that is not given to the General Government.

Mr. STONE. Mr. President, I must decline to yield further. While this debate has been interesting and instructive, it has drifted entirely away from the line I was attempting to follow. I can not protract it, nor permit it to be done, or else my speech will get lost in the shuffle. However, as the Senator from Mississippi [Mr. MONEY] has handed me some matter taken from one of Judge Cooley's commentaries, with the suggestion that I read it and incorporate it in my remarks, I will pause long enough to do that before again taking up the original thread of my discourse. What I am about to read is a part of Chapter IV, beginning on page 57, of Cooley's *Principles of Constitutional Law*:

THE PURPOSES.

Constitutionally a tax can have no other basis than the raising of a revenue for public purposes, and whatever governmental exaction has not this basis is tyrannical and unlawful. A tax on imports, therefore, the purpose of which is not to raise revenue, but to discourage and indirectly prohibit some particular import for the benefit of some home manufacturer, may well be questioned as being merely colorable, and therefore not warranted by constitutional principles. But if any income is derived from the levy, the fact that incidental protection is given to home industry can be no objection to it, for all taxes must be laid with some regard to their effect upon the prosperity of the people and the welfare of the country, and their validity can not be determined by the money returns. This rule has been applied when the levy produced no returns whatever, it being held not competent to assail the motives of Congress by showing that the levy was made not for the purpose of revenue, but to annihilate the subject of the levy by imposing a burden which it could not bear. (*Veazie Bank v. Fenno*, 8 Wall., 533.) Practically, therefore, a law purporting to levy taxes, and not being on its face subject to objection, is unassailable, whatever may have been the real purpose. And perhaps even prohibitory duties may be defended as a regulation of commercial intercourse.

LEVIES FOR PRIVATE PURPOSES.

Where, however, a tax is avowedly laid for a private purpose, it is illegal and void. The following are illustrations of taxes for private purposes: A tax levied to aid private parties or corporations to establish themselves in business as manufacturers (*Loan Association v. Topeka*, 20 Wall., 655, 663; *Allen v. Jay*, 60 Me., 124); a tax to supply with provisions and seed such farmers as have lost their crops (*State v. Osawkee*, 14 Kans., 418); a tax to build a dam which, at discretion, is

to be devoted to private purposes (*Attorney-General v. Eau Claire*, 37 Wis., 400); a tax to refund moneys to individuals which they have paid to relieve themselves from an impending military draft (*Tyson v. School Directors*, 51 Penn. St., 9; *Crowell v. Hopkinton*, 45 N. H., 9; *Usher v. Colchester*, 33 Conn., 587; *Freeland v. Hastings*, 10 Allen (Mass.), 570; *Miller v. Grandy*, 13 Mich., 540); and so on. In any one of these cases the public may be incidentally benefited, but the incidental benefit is only such as the public might receive from the industry and enterprise of individuals in their own affairs and will not support exactions under the name of taxation.

But, primarily, the determination what is a public purpose belongs to the legislature, and its action is subject to no review or restraint so long as it is not manifestly colorable. All cases of doubt must be solved in favor of the validity of legislative action, for the obvious reason that the question is legislative, and only becomes judicial when there is a plain excess of legislative authority. A court can only arrest the proceedings and declare a levy void when the absence of public interest in the purpose for which the funds are to be raised is so clear and palpable as to be perceptible to any mind at first blush. (*Broadhead v. Milwaukee*, 19 Wis., 624, 652; *Cheaney v. Hooser*, 9 B. Monr. (Ky.), 330, 345; *Booth v. Woodbury*, 32 Conn., 118, 128; *Hammitt v. Philadelphia*, 65 Penn. St., 146; *Tide Water Co. v. Coster*, 18 N. J. Eq., 518.)

Where a law for the levy of a tax shows on its face the purpose to collect money from the people and appropriate it to some private object, the execution of the law may be resisted by those of whom the exaction is made; and the courts, if appealed to, will enjoin collection, or give remedy in damages if property is seized. But if a tax law on its face discloses no illegality, there can, in general, be no such remedy. Such is the case with the taxes levied under authority of Congress; they are levied without any specification of particular purposes to which the collections shall be devoted, and the fact that an intent exists to misapply some portion of the revenue produced can not be a ground of illegality in the tax itself. In cases arising in local government an intended misappropriation may sometimes be enjoined; but this could seldom or never happen in case of an intended or suspected misappropriation by a State or by the United States, neither of them being subject to the process of injunction. The remedies for such cases are therefore political, and can only be administered through the elections.

AVERAGE AD VALOREMS.

Mr. President, I will now return to the line of discussion I was following when interrupted. I was then endeavoring to show that the panic of 1893-1897 was not due to the so-called "Gorman-Wilson bill," but was chiefly due to the financial or monetary conditions prevailing at that time. I said, and I repeat, that the Gorman-Wilson bill was essentially a protective measure. It certainly was not a purely revenue measure. It ranked well among the highest protective laws we had ever had up to that time.

I sent down the other day to the Bureau of Manufactures asking to be furnished with the ad valorem rate of duty charged and collected on dutiable importations during the existence of the law of 1883, during the McKinley Act, during the Wilson Act, and during the Dingley Act, with the average of the duty for the different years covered by the different laws. According to the statement furnished me, the average duty paid on dutiable imports between 1884 and 1890, under the act of 1883, covering a period of seven years, was 45.18 per cent; under the McKinley Act, from 1891 to 1894, the average on dutiable imports was 48.67 per cent; under the Gorman-Wilson Act, from 1895 to 1897, the average on dutiable imports was 41.29; and under the Dingley Act, from 1898 to 1906, the average was 48.64 per cent.

So it will be observed that there was only a slight difference in the average ad valorem rate collected under the act of 1883 and the average collected under the Gorman-Wilson Act. This plainly shows that all of these laws were essentially protective, and that fact will become all the more evident if you compare any of these laws with the previous protective-tariff laws enacted by Republican Congresses.

And so I reassert, and am well justified in doing it, that the depression and stagnation of business in 1893-1897 was not the result of "Democratic free trade," as Republicans so persistently and foolishly insist, but was due to an inadequate supply of available money to accommodate the business needs of the country. Money was scarce, the rates of interest high, industrial activity was limited, business enterprise made difficult, if not impossible, and the people generally were forced to incur a vast burden of indebtedness. Nothing better illustrates this contention than the fact of that widespread and almost universal individual indebtedness of the people.

Mr. President, there has never been a time in our history when the people of the country everywhere, in all the States, were so weighted with individual indebtedness as they were when Mr. Cleveland took his oath of office in 1893. And this indebtedness was for the most part incurred, and it grew with amazing rapidity, during the prevalence of Republican tariff laws and when the Republican party was in control of the machinery of government.

If we examine the census of 1880, we will find that the number of mortgages then in force was 2,587,610, securing an indebtedness of \$2,494,870,088. In ten years, from 1880 to 1890, while high protective laws enacted by a Republican Congress were still in force, the private mortgage indebtedness of the people—I am speaking now of real estate mortgage indebted-

ness, not other descriptions of personal indebtedness—increased in the number of mortgages from 2,587,610 to 4,770,098, and the amount of the debts secured increased from \$2,494,870,088 to \$6,019,679,985. The increase in the number of mortgages in ten years was 84.64 per cent, and the increase in the amount of the debts secured during this halcyon decade of supreme Republican control was 141.28 per cent.

And, Mr. President, here is another startling fact which throws further and additional light upon the situation: When Mr. Cleveland became President in 1893, 60.32 per cent of the entire acreage of the State of Kansas was under mortgage; 54.73 per cent of the entire acreage of Nebraska was under mortgage; 51.76 per cent of the entire acreage of South Dakota was under mortgage; 46.95 per cent of the entire acreage of Iowa was under mortgage. And other States—many of them—were in substantially the same condition. The States I cite are but examples; they are not exceptional. Moreover, even before the date of Cleveland's inauguration 28.80 per cent of the entire acreage of the United States, or more than one-fourth, was under mortgage—that is, lands outside of towns and cities—and 23.99 per cent of all the town and city lots of the United States were under mortgage.

And now let me say a word as to the per capita of private indebtedness at that time and give some striking examples: Excluding Los Angeles and San Francisco, the per capita indebtedness of California at that date was \$192, and in Los Angeles and San Francisco the per capita indebtedness was \$215. The per capita in Colorado, outside of Arapahoe County, in which Denver is located, was \$134, and in Arapahoe County \$360. The per capita in Illinois, outside of Cook County, was \$73; in Cook County, embracing the city of Chicago, it was \$161. The per capita in Minnesota, outside of Hennepin and Ramsey counties, embracing Minneapolis and St. Paul, was \$90, and in the two counties named, \$337. The per capita in Nebraska, outside of Douglas County, or Omaha, was \$117, and in Douglas County, \$171. In my own State, outside of St. Louis and Jackson County, in which Kansas City is located, the general per capita indebtedness was \$49, and in those cities it was \$184.

These official figures, taken from the census, are illustrative of a general and widespread condition and show how the people had become engulfed and overwhelmed by an enormous individual indebtedness.

Now, I ask, if the protective tariff is such a blessing, such a sure harbinger of sunshine and prosperity, and such a sure bulwark of industrial safety, how did it happen that the American people became so terribly, almost hopelessly, involved in debt? One would suppose, to hear Senators upon the other side talk, that when we have a protective tariff shadows over the industrial world and obstacles in the way of industrial progress are impossible.

Mr. GALLINGER. Has the Senator figures which will show whether there was a reduction or an increase in mortgages during the continuance of the Wilson tariff law?

Mr. BEVERIDGE. I was just going to ask that question.

Mr. STONE. I have not that data in a way to be furnished in official form.

Mr. GALLINGER. I think it is fortunate the Senator has it not, for his side of the argument.

Mr. STONE. No; it would not be unfortunate. I have no doubt, Mr. President, that the amount of mortgage indebtedness was increased during the Cleveland administration. It had been increasing year after year for a long period.

Mr. GALLINGER. What does the Senator have to say about the result of the McKinley tariff law in that matter? Were the mortgages increased or reduced during the "McKinley law," so called?

Mr. STONE. My statement has been made already that it was during the prevalence of Republican tariff laws, running from 1883, and back of that, up to the date of Mr. Cleveland's second term, that this enormous indebtedness was accumulated.

Mr. GALLINGER. Mr. President, I will ask the Senator another question. Will not the Senator agree with me that indebtedness oftentimes comes from an undue expansion of business? I have in mind a community in my own State in which almost every house is mortgaged, and yet it is a prosperous community, for the reason that young men have purchased houses and have mortgaged them and are paying for them as fast as they can. May it not be that our farmers and others purchased additional land, and it was a prosperous time for the workingman the country over, and that this indebtedness to some extent was due to that fact?

Mr. STONE. The farmers are still buying and always have in the past bought additional land, and men have purchased lots and built homes. That has been common throughout our

history. But I can not concede that during the decade following 1880 there was such an expansion of business out in Kansas and Nebraska, Missouri and Illinois, and other States, that the mortgage indebtedness on town lots, business lots, business houses, and on farms would grow on account of "business expansion" nearly 150 per cent.

Mr. GALLINGER. Mr. President, then again—

Mr. STONE. And, if the Senator will pardon me, if the effect of a high tariff is to so expand business that the people of necessity must burden themselves with oppressive debts, I can not regard it as a blessing. I can not subscribe to the notion that widespread indebtedness is a sign of prosperity. If that be so, then the people who owe the most should esteem themselves the happiest and most fortunate of men.

Mr. GALLINGER. Well, Mr. President, I quite agree with the Senator on that point, but I do not agree with him in his conclusion that it is at all due to the tariff laws. Then again, these mortgages, I suppose, were held by citizens of the United States who advanced the money.

Mr. STONE. I think some of them were, of course.

Mr. GALLINGER. Most of them.

Mr. STONE. I should think so. I know, if the Senator will pardon me, that in my State during that period the great insurance companies of the East, and other large financial interests of that section, which was then as now the most fortunate section of the Union, loaned money to our people, and I know also that to some extent similar concerns in Europe loaned them money.

Mr. GALLINGER. I did not suppose that to any considerable amount farm mortgages or mortgages on city property were held by foreigners. I think that must be a mistake.

Mr. STONE. I do not know to what extent.

Mr. GALLINGER. What I wanted to emphasize was that, after all, we had the money in the country and we loaned it to the Western farmer and the Western merchant, who was perhaps expanding his business and trying to be more prosperous than he had been previous to that time.

Mr. BURKETT. Mr. President, will the Senator permit me to make a suggestion? It seems to me the point the Senator from New Hampshire suggested, and which the Senator from Missouri rather denied, that the matter of extending credit and increasing loans is necessarily a sign of good times, is absolutely correct.

Mr. GALLINGER. It ought to be so.

Mr. BURKETT. In fact, more of the business of the world is done on credit than is done on cash. Our credit is as much of an asset as cash. Let me say that previous to the time when Cleveland was President it was possible for a man to use his credit and pay interest on it, but the trouble was that after they had borrowed the money and bought farms, when they could pay interest on their credit and still have something left and finally own the farm, the Democratic administration came in and the prices went down and they could not pay the interest on their loans.

Mr. STONE. The prices were already down.

Mr. BURKETT. In Mr. Cleveland's term they did reduce the number of mortgages, but they reduced them by foreclosure, and Congress reduced the indebtedness of those people by passing a bankruptcy law to get them out of debt, as a result of the four years of Grover Cleveland's administration.

The fact that they could do business on their credit previous to the time when Mr. Cleveland became President indicated a very good condition of affairs, and it exists to-day, let me say to the Senator. To-day the price of corn, wheat, and oats, and the other things we produce in Nebraska, Missouri, or Iowa, is enough to warrant a young man, or an old man, who has not the cash to buy a farm, to go out and get credit upon that farm and put his name on a loan and agree to pay interest, realizing that if those times continue he can pay the interest, and he can live on his own farm and ultimately make the farm clear of debt. But let conditions come as they did from 1893 to 1897, and the same conditions prevail that prevailed then, and they will only get out of their indebtedness by foreclosing the mortgages and by Congress passing a bankruptcy law to relieve them of their individual indebtedness.

Mr. STONE. Mr. President, we have had more than one bankruptcy law. Republicans have passed bankruptcy laws to meet conditions arising when they were in power, and the bankruptcy courts were busy in those days, as they still are. It is a very common argument, if, indeed, it can be dignified as such, which the Senator from Nebraska makes. One might suppose from what he says that the owner of a farm or a house in town could not borrow money on his property during the

Cleveland administration. Of course the assumption is absurd, but it is with just such absurdities that such orators seek to beguile the people. You could borrow money then, if your security was ample, just as you could during the Harrison administration or at any other time. There was no trouble about that. I have no doubt about conditions remaining substantially the same during the Cleveland administration as they were when he was inaugurated, with a somewhat constant accentuation of industrial distress. That was inevitable; for, unfortunately, the Harrison policies were substantially continued during Cleveland's term. One might suppose from the Senator's observations that there were no mortgages foreclosed until Cleveland became President. But everybody knows that that is also an absurdity. What is the need of making such statements on the floor of the Senate or elsewhere? I say it is an absurdity and is contradictory to what every intelligent man knows to be the truth.

Mr. BURKETT. Will the Senator yield to me?

Mr. STONE. Yes; the Senator does not want to make a speech? I want to conclude.

Mr. BURKETT. I was just going to reply to the suggestion that one could borrow money; that is all.

Mr. STONE. Does the Senator say that money could not be borrowed then?

Mr. BURKETT. Let me suggest to the Senator that if he had permitted me, I would have read to him from Democratic sources and further convinced him of the condition of affairs. When Mr. Cleveland was elected in the fall of 1892, things were going along in a prosperous condition.

Mr. STONE. That I deny.

Mr. BURKETT. I know the Senator denies it, and he refused to let me read from half a dozen Democratic papers and from Democratic statements to prove my statement.

Mr. STONE. I did refuse to let you read from a lot of newspapers.

Mr. BURKETT. Let me say that credit got into such a condition that it was impossible not only to borrow money or to renew loans, but factories at once began to close down. I will tell the Senator of one in my own home town, one of the most important we have in the city of Lincoln. It was doing a most prosperous and thriving business. Like most manufacturing of any importance, it had its capital borrowed. After that election the men who held their loans told them they wanted them to pay some on it, just the same as they did all over the country, and within a year from that time that institution, which was doing a thriving and prosperous business, not only could not borrow the money to extend its business, but it was absolutely closed out, and the stock was sold out in order to pay the loan that it did have. That was the condition. If the Senator will allow me, I can read him of 47 separate manufacturing institutions of the United States that closed down within twelve months of the time when Mr. Cleveland was elected, because they could not renew their loans.

Mr. STONE. The request of the Senator is as unreasonable as his statement. Because one concern in his town went into bankruptcy or was closed down and sold out during the Cleveland administration, therefore it follows that the Cleveland administration was responsible for it.

Mr. BURKETT. They closed down in this country on an average of 15 a day during the months of January and February in the next year after Cleveland became President.

Mr. STONE. Being from Missouri, I would want to be "shown" about 15 concerns being closed down in Lincoln. It could not have run at that rate many days until Lincoln would have been wiped off the map.

Mr. BURKETT. Oh, no; the Senator did not understand me. I said in the country.

Mr. STONE. It has become a habit for Senators upon the other side to make just such exaggerated statements as that the Senator from Nebraska has made. Recklessness of assertion is a common thing with them. They seem to think that all they have to do is to assert something and stick to it. The Senator from Nebraska is just enthusiastic and exuberant; that is all. He has made statements that he must know are not justified by the facts of history. And then he complains because I will not let him read into my speech extracts from some 40 Democratic papers, as he says, to prove something he wants to prove, I know not what.

FIGHT OF 1896.

Mr. President, the fight that the Democrats made in 1896 was not so much for silver as it was to increase the volume of currency, from the lack of which the country was suffering, and which was the prime cause of the industrial depression then prevailing, and of the oppressive indebtedness that weighted

the people. I will not now discuss that old coinage question, although, I will say, I believe as much to-day as I ever did that under the conditions then existing the Democratic party was absolutely right in its proposition. We were seeking to increase the amount of available money for the uses of the people, and at that time there was apparently no other way of doing it. Our contention was that if the amount of money should be increased to an adequate supply, enterprise would be revived, industrial activity restored, workmen given employment, and that the general conditions of the country would be improved.

Mr. President, we were defeated. The Republicans had their way; but the Lord was kinder than they. There was a tremendous demand for gold. The enormous pressure upon that metal had so augmented its value that men were stimulated to go out into the world everywhere and search for it, and they found it. The discoveries were phenomenal, surpassing anything in the history of the world. New discoveries were made in our own mountains and in the mountains of the countries to the south, and were made in Alaska, in Australia, and in Africa. Gold was found all over the world—found in granite walls and in the sands of the sea. The increase in the gold supply of the world since the election of McKinley in 1896 is phenomenal. It furnishes a chapter in history without a parallel. The world's gold production in 1893 was \$157,494,800; in 1900 it was \$254,576,300; and in 1906, \$400,342,100, or two and one-half times as much as it was when Cleveland took his oath of office in 1893. In consequence, our circulation grew rapidly. The larger part of this gold went into the coinage of the world, and no part of the world received more than the United States. The aggregate of our money volume has been practically doubled, and our per capita circulation has increased approximately 60 per cent, and this notwithstanding the increase in our population. What was the result? As the money volume grew, property values advanced; enterprise awakened; industrial activity revived; labor found employment; and the clouds that hung over us began to break and disappear. What we said would happen with an increased supply of money did happen. Our contention has been vindicated. Industrial revival did not come from the Dingley bill, but from the gold miner and the mint. Tariffs neither make nor prevent panics. If a high tariff is a panic preventive, how shall we account for the panic of 1907? Shall we lay the blame of that to the Dingley law? You lay the blame of the previous panic to the Wilson law. What is the difference? The Dingley law was in full force in 1907, as it is to-day, and yet, with this law in operation, one of the most disastrous panics known to our history has swept the country. Do you require witnesses as to the disastrous effects of this panic? Then call the transportation companies of the country and have them tell you of the tens of thousands—may I not say, hundreds of thousands—of empty cars. My friend here from Oklahoma [Mr. GORE] says there were 340,000 empty cars lying idle on side tracks or in the yards of the companies.

Call the industrial establishments, whose furnace fires were extinguished, whose industries were stagnated, and whose workmen were sent adrift with little money in their hands and less hope in their hearts. Call the mining companies and examine them. And call the merchants and bankers, hundreds of whom went into the hands of receivers. Look at the long, dull, plodding, profitless months of that panic. Call the wage-earners and inquire of them. There were not only thousands, but millions of them idle. Mr. Samuel Gompers, the head of the American Federation of Labor, stated in his official paper and in his speeches that from reports sent to him from the labor organizations scattered throughout the country he was prepared to say that at least 2,000,000 wage-earners had lost their employments and were wandering over the country, vainly seeking for something to do to earn an honest wage wherewith to feed themselves and their dependents. And yet, Mr. President, in the face of all this, Senators stand here and talk of prosperous times under Republican tariffs, and wall over the Gorman-Wilson law as the provoking cause of the panic of 1893. Mr. President, it is astounding that intelligent and honorable men can stand up, look you in the face, and say such things in broad daylight.

Mr. President, there were one or two other things I intended to advert to, but I have already occupied so much time and I feel so much fatigued that I will close, although it be somewhat abruptly, at this point. A little later on I may renew the discussion with my friends over there.

The VICE-PRESIDENT. The question is on agreeing to paragraph 215 as amended.

The paragraph as amended was agreed to.

The VICE-PRESIDENT. The Secretary will read the next paragraph passed over.

The SECRETARY. The next paragraph passed over is No. 216. Mr. McCUMBER. I ask that that paragraph be passed over until the chairman of the committee arrives.

The VICE-PRESIDENT. The Chair thinks that paragraph 216 has been agreed to.

Mr. McCUMBER. There is an amendment to that paragraph. Mr. ALDRICH entered the Chamber.

Mr. McCUMBER. I now withdraw the request that the paragraph be passed over.

The VICE-PRESIDENT. The question is on agreeing to paragraph 216.

The paragraph was agreed to.

The VICE-PRESIDENT. The next paragraph passed over will be stated.

The SECRETARY. The next paragraph passed over is No. 217. On page 74, line 17, the Committee on Finance propose to strike out the colon after the word "pound" and the proviso.

The VICE-PRESIDENT. The question is on the amendment proposed by the committee.

Mr. DANIEL. I should like to hear the proviso which the committee propose to strike out read, Mr. President.

The VICE-PRESIDENT. The Secretary will state the amendment in full.

The SECRETARY. On page 74, line 17, after the word "pound," it is proposed to strike out the colon and the words:

Provided, That on filler tobacco produced in or imported from countries that prohibit the importation of tobacco from this country, the duty on such tobacco shall be, if unstemmed, 75 cents per pound, if stemmed, \$1 per pound.

The VICE-PRESIDENT. The question is on the amendment proposed by the Committee on Finance.

The amendment was agreed to.

The paragraph as amended was agreed to.

The VICE-PRESIDENT. The Secretary will state the next paragraph passed over.

The SECRETARY. The next paragraph passed over was paragraph 218.

The VICE-PRESIDENT. Without objection, the paragraph will be agreed to. It is agreed to. The Secretary will state the next paragraph passed over.

The SECRETARY. The next paragraph passed over was paragraph 219.

The VICE-PRESIDENT. A pro forma amendment to that paragraph was agreed to. Without objection, the paragraph will be agreed to as amended.

Mr. DANIEL. I should like to have it read, Mr. President.

The VICE-PRESIDENT. The Secretary will read paragraph 219.

The Secretary read as follows:

219. All other tobacco, manufactured or unmanufactured, not specially provided for in this section, and scrap tobacco, 55 cents per pound.

The VICE-PRESIDENT. Without objection, the paragraph as amended will be agreed to. It is agreed to. The Secretary will state the next paragraph passed over.

The SECRETARY. The next paragraph passed over was paragraph 220.

The VICE-PRESIDENT. Without objection, paragraph 220 is agreed to. It is agreed to.

Mr. DANIEL. I will not ask that that paragraph be read, Mr. President, because I have it before me.

The VICE-PRESIDENT. The next paragraph passed over will be stated.

The SECRETARY. The next paragraph passed over was paragraph 221.

The VICE-PRESIDENT. Without objection, paragraph 221 is agreed to.

Mr. DANIEL. Mr. President, I should like to call attention to that paragraph and its reading. It reads:

221. Cigars, cigarettes, cheroots of all kinds, \$4.50 per pound and 25 per cent ad valorem, and paper cigars and cigarettes, including wrappers, shall be subject to the same duties as are herein imposed upon cigars.

I should like to inquire if the chairman of the committee can inform me why paper cigars and cigarettes, including wrappers, shall be subject to the same duties as are imposed upon cigars? Why should paper cigars and tobacco cigars and cigarettes have the same tax?

Mr. ALDRICH. Will the Senator from Virginia suggest why they should not?

Mr. DANIEL. They are different substances which you are taxing—one is tobacco and the other is paper.

Mr. ALDRICH. Oh, no; only the wrapper is paper.

Mr. KEAN. Only the wrapper is paper.

Mr. DANIEL. I understand that; but why should a paper wrapper be taxed like a tobacco wrapper? I will say, for instance, that a manila wrapper—

Mr. ALDRICH. This has always been the law, and I think it is to the interest of the American producer, as it is intended to be.

Mr. TALIAFERRO. I should like to know what is meant by "paper cigars." The paragraph goes on and says, "including wrappers." Is there any such thing as a paper cigar? That is the point to which the Senator from Virginia [Mr. DANIEL] was calling attention.

Mr. ALDRICH. "Including wrappers." It does not say "paper wrappers."

Mr. DANIEL. I understand; but it says "paper cigars."

Mr. TALIAFERRO. What are paper cigars?

Mr. ALDRICH. They are cigars made of tobacco with paper wrappers.

Mr. DANIEL. That is my understanding.

Mr. TALIAFERRO. It says, "paper cigars and cigarettes, including wrappers."

Mr. ALDRICH. These are paper wrappers, or the language is "including wrappers." That is the exact language of every act which has been passed for a great many years. It is simply to keep out the paper cigars, if you please, and put a duty upon them to make it impossible to import them.

Mr. DANIEL. I should like to have a "paper cigar" defined, if the Senator can define it.

Mr. ALDRICH. In the act of 1890 the same language was used; in the act of 1894 the same language was used; and in the act of 1897 the same language was used.

Mr. DANIEL. We might have used it a thousand times and still not know the meaning of it. The question is what it means.

Mr. ALDRICH. Both of the Senators come from tobacco States, and ought to know the meaning of it.

Mr. DANIEL. I should, if we made paper cigars down there. I want to understand it.

Mr. ALDRICH. It probably is intended to be a prohibitory duty on paper cigars.

Mr. DANIEL. But what is a "paper cigar?"

Mr. ALDRICH. A cigar made of tobacco with a paper wrapper, which is to pay the same rate of duty that it would if it had a tobacco wrapper. That means that they can not be imported. It is entirely in the interests of American producers of cigars.

Mr. TALIAFERRO. As the Senator from Rhode Island suggests, I come from a cigar State, but I confess that I have never before heard of a "paper cigar." I imagine that the idea of the Senator from Rhode Island was that this language meant tobacco cigars with paper wrappers. If that is the meaning, I do not see why the bill should not so express it.

Mr. ALDRICH. The Senator has heard of paper cigarettes?

Mr. TALIAFERRO. Never. I have heard of cigarettes with paper wrappers.

Mr. ALDRICH. That is what is intended here—what are technically and commercially known as "paper cigarettes."

Mr. SCOTT. Mr. President, I find in the Wilson law, in paragraph 188, the exact language which is used in this bill.

The VICE-PRESIDENT. Without objection, the paragraph is agreed to. The Secretary will state the next paragraph passed over.

The SECRETARY. The next paragraph passed over was paragraph 226.

The VICE-PRESIDENT. Is there objection to agreeing to the paragraph as amended? The Chair hears none. The Secretary will state the next paragraph passed over.

The SECRETARY. The next paragraph passed over was paragraph 227, to which the Committee on Finance report an amendment, on page 76, line 20, to strike out the word "twenty-four" and insert "thirty."

Mr. McCUMBER. Mr. President, I have passed by, not without some impatience, I will confess, frequent attacks on the duty on cereals—wheat, oats, barley, and so forth. I deemed it more proper to answer those attacks when the subject should be under discussion. The expressions indicated to me that they were made with very little understanding or study of the subject.

I want to speak a very few minutes upon the subject of the duty upon cereals, whether such duty is necessary, and if any duty should be levied, the extent of that duty.

No man can make a just claim to statesmanship who fails to look not only at conditions as they exist to-day, but as they will in all probability exist to-morrow or in the immediate future; and he who fails to calculate the conditions under which the law is to operate in the immediate future, but blindly enacts just for to-day, can hardly be said to represent a progressive people.

That want of foresight, with its attendant evils and extravagances, is manifested in our public-building appropriations, where our structures have to be almost rebuilt in most instances in from five to ten years. They are built for to-day and not for the growing demands of our business and our people.

We are making this tariff with the hope and the expectation that it will continue in force for at least a decade. I know our friends on the other side say they will revise it themselves in less time than that. I am not prepared to say they are not right. I sometimes think that the American people have got to learn a fearful lesson about every fifteen years in order to bring them back to safe, economic principles.

But I hope we shall not have to take another lesson such as we had during the last anti-Republican administration. The punishment is altogether too severe for the mild offense of lack of memory or good judgment.

Anyway we should start this bill as near right as our conflicting views will allow us and with the idea that it will last for ten years. If I thought it would be materially revised in a year or two, I should not concern myself much about any raise on any agricultural product. But if I think it will last ten years, and I make no provision for the rapid changes that are taking place, I certainly shall fail to properly represent the people of my State during that time.

To-day we are exporting wheat, oats, barley, and rye. Eleven years from to-day, in 1920, we shall in all probability not be exporting a bushel of either of these cereals. The last year we raised about 650,000,000 bushels of wheat, and western Canada, adjoining my State and the western part of the United States, raised about 125,000,000 bushels. Ten years from to-day we may maintain our production of wheat to, say, 650,000,000, possibly 700,000,000, bushels, and by that time Canada, immediately north of the United States, will probably raise from five hundred to seven hundred million bushels of wheat.

What will happen then? We shall be importing wheat in less than ten years, and on the other side of an imaginary line six hundred to seven hundred million bushels of Canadian wheat will be ready to find its nearest market in the United States. Then, in my judgment, not even a duty of 30 cents a bushel is going to keep it out of the United States, and there will be a considerable importation to this country.

The value of wheat will steadily increase as the population increases, and the ratio of production of wheat to population will decrease as the population increases. Therefore 25 cents per bushel at that time will, in my opinion, not be adequate protection.

Now, I want to call the attention of Senators to a map [exhibiting] of the United States and Canada, and probably I can give them something of an idea of what the wheat production of western Canada will mean before 1920. I will draw a line on the east side of my own State [indicating], parallel with the Red River of the North, and will continue it down to the Gulf of Mexico on the south, and on the north to the Arctic Ocean. West of that line will be found nearly two-thirds of the entire territory of the United States, and west of that line in Canada will be found more acres that will produce grain and cereals of all kinds than can possibly be found in the United States west of that line. Here is a tract of country [indicating], about 1,200 miles by 800 miles, interspersed with lakes, rivers, and small bodies of timber, nearly ever acre of which, outside of the small mountainous portion, is capable of producing all kinds of cereals except corn, and probably that can be raised in some sections. As far north as the sixtieth parallel of latitude [indicating] grain is being raised to-day, and wheat is being raised fully 100 miles north of that line.

I have lately been over that country. I know something about it. I know that the rainfall is a great deal more than it is on the American side west of that vast section and east of the mountains. I do not believe that the soil has the lasting quality of the soil in the United States, but I do know that in less than twenty years this section of Canada will be the wheat granary of the entire world, and I believe that in making this tariff we should take into consideration this most important fact.

Only a very small portion of this entire tract is at present under cultivation. I believe that in 1908 the report of Mr. Young, superintendent of railway lines in Canada, showed that about 120,000,000 acres of this land were then occupied and that about 8,000,000 acres were under cultivation.

I want to call attention to another fact, and that is that all of the great transcontinental lines of Canada are crossing this section and are building their spurs on both sides for hundreds of miles. Here [indicating] is the Canadian Pacific traversing it; here [indicating] is the Grand Trunk, reaching far to the north; here [indicating] is the Canadian Northern traversing the same section; and every one, with their smaller lines or feeders,

is bringing every section of this country convenient to railways. So, Mr. President, we may reasonably expect that in less than ten years there may be raised as much wheat in this great Northwest as there is raised in the United States.

A number of Senators have reiterated several times that the farmer can not be benefited by a duty on his products so long as he is exporting them; but, Mr. President, any man who has lived in my State for the last ten or twelve years and on one side of an imaginary line has regularly seen the price of wheat from 12 to 22 cents a bushel more than it is upon the opposite side of that line is pretty well convinced that there is something in the matter of American protection—that he does get protection.

I wired a few days ago to a place in North Dakota called "Pembina," which is on the Canadian border line, opposite to Emerson, in Manitoba, to get the price of grain at those two points—and remember that all of this time both the Canadian and American grain were being exported. I received a telegram in reply giving the respective prices for October in each year from 1904 and 1908, inclusive. In 1904 the American price was \$1 and the Canadian price 78 cents, or 22 cents a bushel in our favor; in October, 1905, the Pembina price was 70 cents and the Emerson price 64 cents, or 6 cents a bushel in our favor; in 1906 the Pembina price was 65 cents and the Emerson price 59, or 6 cents in favor of the American side; in October, 1907, the Pembina price was \$1.04 and the Emerson price 94 cents, or 10 cents in our favor; and in October, 1908, the Pembina price was 93 cents and the Emerson price 81 cents, or 12 cents a bushel in favor of the American side.

Mr. President, those are the conditions when we are raising wheat for export; but I want to show now that it will be impossible for the American people to be exporting in 1920. Let us see whether I can establish that fact beyond any reasonable doubt.

What will our population be in 1920, or eleven years from to-day? I have made a careful estimate, and have taken the estimates made by others who have given the subject considerable attention, and the estimate is that in 1920 our population will be about 117,000,000 people, at the present ratio of increase, taking into consideration a reasonable immigration from Europe.

The average yearly consumption of wheat varies considerably, dependent upon industrial conditions of the country. Under normal conditions we use for seed and bread about 7 bushels per capita; under the conditions that existed from 1893 to 1897 the consumption outside of seed was only about half of the usual consumption.

With a population of 117,000,000 we will need, in 1920, to feed our own people and for seed 819,000,000 bushels of wheat. Where are we going to get that? Where are we going to raise it? We must remember that, while we have been increasing our acreage very rapidly year by year, we have nearly reached the limit of our public land, and we are now having to depend upon irrigation and other processes, and probably in five years all the public lands upon which we can raise crops without irrigation will be entirely in private ownership.

With a growing population, our old lands can not raise wheat year after year; their acreage is demanded for other purposes, and even if that were not true the soil would be so soon exhausted that we would be compelled to raise other crops. It is fair to say, then, that our present average capacity is 650,000,000 bushels. With increasing population will necessarily come an increased production, but not in the same proportion, as I have stated. We grew 504,185,470 bushels of wheat in 1882, when our population was a little over 52,000,000 people, and 634,087,000 bushels in 1907.

The wheat yield since 1882, during the years when much of the new lands in the West were being brought under the plow, advanced a little over 25 per cent, while the population increased 33,000,000 in that time, or over 63 per cent. So, Mr. President, we will observe that while the acreage and the production may increase for the next ten years at the rate of 10 or 15 per cent, the population will increase four or five times as much, so that, necessarily, we will not be a wheat-exporting country by 1920.

Now, what influence has the tariff upon the question of the value of wheat in the United States? I want to show you just what the immediate result is the moment that our crops get the least bit short.

I want to call the attention of Senators to one fact, and that is in 1904 we had what we called a short crop in the United States, and I want to show the difference in importations and in prices due to that fact. The difference in price, as I have shown you, was 22 cents a bushel between two points on opposite sides of the boundary line.

I will take the importations of wheat, and here insert a table of importations:

Fiscal year ended June 30—	Rate of duty.	Wheat.				
		Quantity.	Value.	Duty collected.	Average.	
					Value per unit of quantity.	Ad valorem rate of duty.
		Bushels.	Dollars.	Dollars.	Dolls.	Per ct.
1894.	25 cents per bushel.	2,742.35	3,010.86	685.58	1.10	22.77
1895.	do.	1,253	1,448.50	313.25	1.16	21.63
1896.	30 per cent.	18,771	11,658.92	2,331.77	.62	20.00
1897.	do.	26,965.84	9,503.12	1,901.20	.352	20.00
1898.	do.	4,909.08	3,289.08	637.81	.67	20.00
1899.	do.	63	32.00	6.40	.508	20.00
1900.	25 cents per bushel.	9,824	7,703.08	2,455.85	.793	31.52
1901.	do.	5,594.34	7,225.85	1,398.53	1.29	19.35
1902.	do.	3,451.88	4,705.87	892.97	1.36	18.34
1903.	do.	5,409.14	5,681.11	1,352.43	1.05	23.81
1904.	do.	31,233.25	24,454.01	7,808.52	.783	32
1905.	do.	7,032.73	6,874.89	1,758.21	.977	25.57
1906.	do.	6,536.21	7,218.40	1,634.10	1.10	22.64
1907.	do.	1,645,563.34	1,488,619.44	411,390.86	.905	27.63
1908.	do.	43,428.75	40,907.49	10,857.18	.942	26.54
1907.	do.	19,142.93*	16,583.10	4,785.73	.837	28.85
Duty remitted.						
1905.	Sec. 15, act July 24, 1897.	601,000	527,227.00	—	0.876	—
1906.	do.	79,892	67,417.00	—	.832	—

Now, notice that in 1902 we imported only 33,000 bushels. We had the usual crop. In 1904 we imported 6,536 bushels; that is, for the year ending June 30, 1904. That was our short-crop year; and, consequently, our importations would be counted in the year ending June 30, 1905. Those importations immediately jumped from 6,536 bushels to 1,645,563 bushels. That shows what the result will be the moment that our crop gets the least bit short; and this was a condition when we were still exporting some grain. Then in 1905 we obtained our usual crop again, and importations immediately dropped down to 43,428 bushels, a mere bagatelle. I cite these figures to show what the condition will be the moment that we cease to be an exporting nation. Even before we had ceased exporting and raised but a little more than we needed for home consumption, the 25 cents per bushel did not keep wheat out of the country. And 30 cents a bushel will not keep it out when our production and consumption balance; and when we do not produce enough for home production, then 40 cents a bushel will not be prohibitive.

Now, this is not all. When I come to the question of flour, I find practically the same result. In 1904 we imported but 1,114 barrels of flour; value, \$7,715. The very next year our importations jumped up to 40,652 barrels; value, \$175,512; so that in wheat there was this vast difference between one year and the other, and flour along about the same ratio.

If I follow these tables throughout, I will find a similar result in barley and other cereals, except in corn, and I admit that the tariff on corn, perhaps under present conditions, may be said to be more or less needless, and I am not interesting myself in that.

I want to call the attention of Senators to what the difference between 30 cents a bushel upon barley and the 30 per cent ad valorem meant in the importations into this country; and first I call attention to the 30 per cent, which was in existence until 1897 and a part of 1898.

In 1897, when the duty was 30 per cent ad valorem, we imported 1,254,968 bushels of barley. At 40 cents a bushel that meant a duty of 12 cents a bushel. We raised that duty to 30 cents a bushel, and the importations immediately dropped from 1,254,968 bushels to 10,220 bushels. And yet in the face of these figures I find Senators asserting that protection has not the slightest thing to do with the value of the cereals raised in the United States. And so, Mr. President, I can go through with every one of these grain schedules and show that a low tariff does greatly increase the importations and consequently depresses prices on this side. Our present duty makes a difference in value of wheat from 12 to 22 cents a bushel, but in the near future, as the price of grain goes up, the percentage of protection will be lessened, and I do not expect we will ever see wheat, after five years from to-day, much less than \$1 or \$1.50 a bushel. I wish to raise the protection so that it will be commensurate with future values, then your 30 cents a bushel will be a very meager duty indeed, and considering the

production in Canada and the decrease of production in the United States, there is no reason to doubt that we will be importing very heavily during that time.

Now I appreciate the fact that when that good time arrives, a great many of our people will be crying for cheaper food products; but I hope and anticipate that by that time we will have the same organization of the farmers throughout the entire cereal-producing regions of the United States that we have among the manufacturers and among laborers, and that we will be able, to some extent at least, to control, not the output, but the time of selling and the price to be demanded for those products. That will be somewhat difficult as long as we are exporting heavily, but it will not be difficult the moment that our consumption in the United States is about equivalent to our production.

And in voting for these higher duties upon farm products, I am taking into consideration something not only that we may think will happen, but something that is just as sure to happen as that the population of this country is going to increase and the acreage of the country is not going to increase.

So in looking over these schedules I do not find a single one in which I believe the duty will be too high, and I do not find one that I think will be prohibitive whenever the condition arrives that our consumption will about equal the production in the United States.

I want to say one word in answer to a statement made by the Senator from Missouri [Mr. Stone] as to the increasing mortgages on the farm lands of the United States. What the Senator has said is undoubtedly true, but I want to call his attention to the cause of that condition, and to the fact that it means prosperity, and nothing but that.

The Senator spoke for some time about the increasing amount of money in the United States which gave us these more prosperous times; but he forgot to mention that the increase was due to the balance of trade in our favor. It made quite a difference whether all of our mills in the United States were idle, or were sufficiently prosperous to pay the farmer a fair price for his grain, or whether we were importing those things we ought to have manufactured ourselves and pauperizing the American labor to an extent that he could not purchase the farmer's products at a fair price.

The average balance of trade in our favor for the last twelve years has been about \$500,000,000 annually. Now, what does that mean as compared with the condition during the four years preceding, when I think it was less on an average than \$250,000,000? It means that there were 500,000,000 gold dollars taken annually from the other side of the ocean and landed upon this side of the ocean. And continuing that for ten years meant \$5,000,000,000. Now, what became of all that money? Some of it went back into the old country again to pay interest on bonds that they held against our railroads; immense sums of it went back there to pay the expenses of American tourists; and I am sorry to say that a large amount of it went over there to buy dilapidated dukers for the daughters of American millionaires, and to support them afterwards. But the great bulk of it stayed in this country and performed the usual functions of currency. What became of it? Why, it moved over this country like ten great tidal waves of gold dollars. It rolled over the Atlantic border, it pressed on over to the State of Minnesota, and your pine-stump lands that were not worth a dollar and a half an acre jumped to five, ten, fifteen, and twenty dollars an acre.

It pressed onward over to Iowa, and your 15 and 20 cent a bushel corn jumped to 30, 40, 50, and 60 cents a bushel. Your farm lands, that were then worth \$40 and \$50 an acre, increased immediately to \$60, \$70, \$80, and \$100 an acre. Your young men sold out their interest in those farms and came up into North Dakota. They poured over the valley of the Red River of the North, and our lands there raised from \$20 to \$30, \$40, \$50, and \$60 an acre. This great tidal wave of dollars rolled over the western section of our State and the lands raised there from \$3 to \$5, \$15, and \$20 an acre. It passed onward again over the plains of Montana. It began to dig irrigating ditches, and your 50-cent land became worth \$100 to \$200 an acre. It pressed onward over the Rocky Mountains, down the western slope, into Oregon and Washington, and your pine lands and fruit lands doubled, trebled, and quadrupled in value. And it did not stop there. That mighty tide of gold dollars, representing the balance of trade in favor of this country, and that caused by the protective-tariff system, in less than ten years leaped over that imaginary boundary line and began to buy up Canadian lands, and during those ten years it has bought up about one-third of the entire Canadian empire.

Every dollar of it has been an American dollar, and every dollar of it is measured by the balance of trade, and back of

that balance of trade is the protective tariff that keeps our money at home. The farmers in the Northwest have received that benefit from our protective system. It was not a direct benefit, but it was an indirect benefit. Lands did not go up a dollar in value from 1893 to 1897. Everything then that the farmer owned or produced was at the lowest price and seemed to be looking for a hole to get lower.

There were practically no sales at all. But how did this prosperity for the past dozen years affect the mortgaging of our lands? I will tell you how it affected them. Iowa farmers, after they had sold their land, came over and bought this land in our State, which prior to that time in my own county was worth \$20 an acre. The owner got \$20 cash and \$30 or \$40 more an acre, and received a mortgage back for the deferred payment. And so they plastered the whole eastern part of the State with mortgages that represented a value almost double the original value of the farm lands. Those mortgages, in other words, represent profits. That accounts in a great measure for the excessive amount of mortgages about which Senators have been speaking. They can pay for those lands with the present price of cereals. They could not have paid for them at any price during the period from 1893 to 1897.

I intended to confine my remarks simply to the one question of the possibilities and the probabilities of the condition of the Canadian northwest in the next ten years and to the demand that we should have a tariff upon our products that would meet conditions as they are bound to exist within the next ten years.

I ask permission to insert in my remarks certain tables which I have here.

The VICE-PRESIDENT. Without objection, permission is granted.

The tables referred to are as follows:

Importations.
WHEAT FLOUR.

Fiscal year ended June 30—	Rate of duty.	Quantity.	Value.	Duty collected.	Average.	
					Value per unit of quantity.	Ad valorem rate of duty.
		Barrels.	Dollars.	Dollars.	Dolls.	Per ct.
1894—	25 per cent.	313	1,997.26	499.32	6.38	25.00
1895—	do.	210.50	1,158.50	289.12	5.49	25.00
1896—	20 per cent.	1,841	7,894.00	1,578.80	4.29	20.00
1897—	do.	1,201.12	6,258.69	1,251.73	5.19	20.00
1898—	do.	1,038	6,270.05	1,254.01	6.04	20.00
1899—	do.	101	460.00	92.00	4.55	20.00
1900—	25 per cent.	1,273	7,025.93	1,756.53	5.52	25.00
1901—	do.	609.59	2,569.19	642.31	4.21	25.00
1902—	do.	773.09	3,757.12	939.29	4.86	25.00
1903—	do.	656.20	3,465.72	866.43	5.28	25.00
1904—	do.	744.11	3,585.87	896.46	4.82	25.00
1905—	do.	597.18	4,480.30	1,120.10	7.50	25.00
1906—	do.	1,114.04	7,715.79	1,928.94	6.93	25.00
1907—	do.	40,652.35	175,512.75	43,878.20	4.32	25.00
1908—	do.	47,195.55	177,160.70	44,290.21	3.75	25.00
1909—	do.	48,005.12	157,539.85	39,384.99	3.28	25.00

OATS.

1894—	15 cents per bushel.	8,387.28	3,574.21	1,258.12	0.46	32.47
1895—	do.	2,699	1,089.05	404.85	.40	37.13
1896—	20 per cent.	311,638	79,824.43	15,964.89	.26	20.00
1897—	do.	20,323.83	6,933.80	1,386.76	.341	20.00
1898—	do.	27,462.45	7,328.60	1,465.72	.27	20.00
1899—	do.	224	76.00	15.20	.339	20.00
1900—	15 cents per bushel.	8,874	3,190.58	1,331.23	.359	41.71
1901—	do.	11,483.79	4,461.72	1,722.59	.389	38.85
1902—	do.	40,554.93	18,361.67	6,083.26	.453	33.24
1903—	do.	18,960.43	9,202.55	2,844.08	.485	30.91
1904—	do.	24,659.60	11,642.21	3,698.97	.473	31.73
1905—	do.	59,937.75	21,794.41	8,990.66	.364	41.25
1906—	do.	170,956.27	57,870.53	25,643.48	.339	44.31
1907—	do.	38,855.39	18,704.58	5,828.32	.481	31.16
1908—	do.	22,671.47	10,727.33	3,400.75	.473	31.70
1909—	do.	37,129.47	17,265.53	5,569.47	.465	32.26

Comparative prices of wheat.

October—	Pembina.	Emerson.	Difference.
1904—	\$1.00	\$0.78	\$0.22
1905—	.70	.64	.06
1906—	.65	.59	.06
1907—	1.04	.94	.10
1908—	.93	.81	.12

Imports of breadstuffs.

BARLEY.

Fiscal year ended June 30—	Rate of duty.	Quantity.	Value.	Duty collected.	Average.	
					Value per unit of quantity.	Ad valorem rate of duty.
1894.	30 cents per bushel.	Bushels. 862,053.41	Dollars. \$92,078.60	Dollars. 258,025.03	Dolls. 0.45	Per ct. 65.95
1895.	do	80	35.00	24.00	.44	68.56
1896.	30 per cent.	2,074,076	851,717.90	255,515.35	.41	30.00
1897.	do	833,017.28	312,224.15	93,667.23	.378	30.00
1898.	do	1,254,968.78	888,259.81	116,477.94	.31	30.00
1899.	do	10,230	3,194.00	958.20	.312	30.00
1900.	30 cents per bushel.	104,298	37,590.53	31,289.42	.360	83.24
1901.	do	110,320.32	53,099.35	33,096.10	.487	61.63

Imports of breadstuffs—Continued.

BARLEY—continued.

Fiscal year ended June 30—	Rate of duty.	Quantity.	Value.	Duty collected.	Average.	
					Value per unit of quantity.	Ad valorem rate of duty.
1900.	30 cents per bushel.	Bushels. 161,613.83	Dollars. 78,257.52	Dollars. 48,484.15	Dolls. .484	Per ct. 62.00
1901.	do	178,320.07	87,408.45	53,496.04	.49	61.21
1902.	do	57,414.65	33,250.17	17,224.41	.579	51.80
1903.	do	59,523.34	28,557.38	17,857.00	.48	62.51
1904.	do	88,254.55	44,997.63	26,476.37	.501	58.84
1905.	do	79,182.47	38,563.30	23,754.75	.487	61.50
1906.	do	19,930.25	10,825.88	5,979.07	.543	55.23
1907.	do	11,815	6,608.00	3,544.50	.559	53.64

Grain crops of the United States.

The following table represents the crops of grain and potatoes in the United States for a number of years, as presented by the Agricultural Department at Washington:

Year.	Wheat.	Corn.	Oats.	Rye.	Barley.	Buckwheat.	Potatoes.	Hay.
	Bushels.	Bushels.	Bushels.	Bushels.	Bushels.	Bushels.	Bushels.	Tons.
1880	457,218,000	1,065,441,000	624,134,000	24,489,000	59,428,000	11,869,000	168,051,000	41,766,000
1887	456,320,000	1,436,161,000	659,618,000	20,009,000	56,512,000	10,844,000	134,708,000	41,454,000
1888	415,868,000	1,987,790,000	701,735,000	28,415,000	68,884,000	12,050,000	202,365,000	46,648,000
1889	490,560,000	2,112,892,000	751,515,000	28,420,000	78,532,000	12,110,000	204,960,000	46,830,000
1890	399,262,000	1,489,970,000	523,621,000	25,807,000	67,168,000	12,433,000	148,079,000	60,198,000
1891	611,780,000	2,090,154,000	738,394,000	31,752,000	86,839,000	12,761,000	254,427,000	60,818,000
1892	515,949,000	1,628,464,000	661,035,000	27,979,000	80,097,000	12,143,000	156,635,000	59,824,000
1893	598,132,000	1,619,496,000	638,855,000	26,555,000	69,892,000	12,132,000	183,634,000	65,766,000
1894	400,267,000	1,212,770,000	662,037,000	26,728,000	61,400,000	12,668,000	170,787,000	54,874,000
1895	467,103,000	2,151,139,000	824,444,000	27,210,000	87,073,000	15,341,000	297,237,000	47,079,000
1896	427,684,000	2,283,875,000	707,346,000	24,369,000	69,695,000	14,090,000	252,235,000	59,282,000
1897	530,149,000	1,902,968,000	698,768,000	27,363,000	66,685,000	14,997,000	164,016,000	60,635,000
1898	675,149,000	1,924,155,000	730,907,000	25,658,000	55,792,000	11,722,000	192,308,000	66,377,000
1899	547,904,000	2,078,144,000	736,178,000	22,962,000	73,882,000	11,094,000	228,781,000	66,666,000
1900	522,230,000	2,105,103,000	809,126,000	23,960,000	58,926,000	9,567,000	210,927,000	60,111,000
1901	748,469,000	1,522,520,000	736,809,000	30,845,000	109,933,000	15,126,000	217,598,000	50,591,000
1902	670,063,000	2,323,648,000	987,843,000	33,631,000	134,954,000	14,530,000	284,638,000	59,858,000
1903	637,822,000	2,244,177,000	784,094,000	29,363,000	131,861,000	14,244,000	247,128,000	61,309,000
1904	552,400,000	2,467,481,000	894,596,000	27,235,000	139,749,000	15,008,000	332,800,000	60,686,000
1905	692,979,000	2,707,994,000	953,216,000	28,486,000	136,651,000	14,535,000	200,741,000	60,582,000
1906	735,261,000	2,927,416,000	964,904,000	33,375,000	178,916,000	14,642,000	308,088,000	57,146,000
1907	634,087,000	2,592,320,000	764,443,000	31,566,000	153,507,000	14,290,000	297,942,000	63,677,000
1908	664,902,000	2,668,651,000	807,156,000	31,851,000	166,756,000	15,874,000	278,985,000	70,798,000

Comparative exports of leading domestic products.

The following table exhibits the exports of domestic merchandise enumerated during each of the past seven years ending June 30, as compiled from the statements of the Bureau of Statistics of the Treasury Department:

	1907-8.	1906-7.	1905-6.	1904-5.	1903-4.	1902-3.	1901-2.
Wheat.....bushels.	100,271,057	76,569,423	34,973,291	4,894,402	44,230,169	114,181,420	154,856,102
Flour.....barrels.	13,927,247	15,584,667	13,919,048	8,826,335	16,999,432	19,716,634	17,759,203
Wheat and flour.....bushels.	163,943,058	146,700,424	97,608,917	44,113,009	120,727,613	202,906,273	234,772,515
Corn.....do	52,445,800	83,300,708	117,718,657	88,807,223	55,858,905	74,839,257	26,636,532
Corn meal.....barrels.	654,515	766,820	543,794	871,595	590,774	451,506	348,004
Oats.....bushels.	1,158,622	4,014,042	46,324,935	5,479,308	1,153,714	4,618,899	9,971,139
Oatmeal.....pounds.	24,924,199	42,701,257	37,972,900	52,450,848	14,526,477	67,821,963	59,516,512
Rye.....bushels.	2,419,958	749,455	1,855,529	1,423	765,103	5,422,731	2,607,863
Rye flour.....barrels.	4,105	3,377	5,383	4,721	3,160	3,757	2,369
Barley.....bushels.	4,349,078	8,238,842	17,729,369	10,661,655	10,851,627	8,429,141	8,724,268
Bacon.....pounds.	241,189,929	259,418,699	361,210,535	262,246,635	249,665,941	207,339,000	383,150,624
Hams.....do	221,769,634	209,481,496	194,267,949	203,455,794	194,948,864	214,183,365	227,653,232
Pork, salted and pickled.....do	149,505,937	177,895,183	155,265,158	133,833,473	130,858,996	116,259,487	160,037,949
Lard.....do	603,413,770	627,559,600	741,516,886	610,238,899	551,302,643	490,753,821	556,840,222
Tallow.....do	91,397,507	127,857,739	97,567,156	63,536,902	76,924,174	27,308,924	34,035,758
Butter.....do	6,463,061	12,544,777	27,360,537	10,071,457	10,717,824	8,893,199	16,002,169
Cheese.....do	8,439,031	17,285,230	16,562,451	10,134,424	23,335,172	18,987,118	27,203,184

Mr. ROOT obtained the floor.

Mr. ALDRICH. Mr. President—

The VICE-PRESIDENT. Does the Senator from New York yield to the Senator from Rhode Island?

Mr. ROOT. Certainly.

Mr. ALDRICH. I was about to make a motion that the Senate adjourn, but I should like to take up a single committee amendment before doing so.

Mr. ROOT. Then I will defer until morning what I was about to say.

Mr. ALDRICH. I ask unanimous consent to take up paragraph 87, on page 20, for the adoption of an amendment which has been agreed upon by the committee.

The VICE-PRESIDENT. Is there objection to returning to paragraph 87? The Chair hears none.

Mr. ALDRICH. On page 20, line 13, paragraph 87, I move to strike out "\$6 per ton," and insert "three-eighths of 1 cent per pound;" and, in line 14, to strike out "15 per cent ad valorem" and insert "one-fourth of 1 cent per pound."

The amendment was agreed to.

The paragraph as amended was agreed to.

Mr. ALDRICH. I move that the Senate adjourn.

The motion was agreed to, and (at 5 o'clock and 3 minutes p. m.) the Senate adjourned until to-morrow, Saturday, May 29, 1909, at 10 o'clock a. m.